

MCALLEN HOUSING FINANCE CORPORATION
JANUARY 11, 2005

A meeting of the McAllen Housing Finance Corporation was held on Tuesday, January 11, 2005 at 12:00 noon at the McAllen Miller International Airport in the West Conference Room, with the following present:

	Richard Cortez	President
	Armando Martinez	Member
	Charles Cardenas	Member
	Donna Rodriguez	Member
	Margaret Rose Guerra	Member
Absent:	Javier Salazar	Member
Staff:	Jim Darling	City Attorney
	Annette Villarreal	City Secretary
Others present:	Bobby Calvillo	MAHI President
	Joe Saenz	McAllen Housing Authority Director
	Leo Lara	McAllen Housing Authority Board President

CALL TO ORDER

President Cortez called the meeting to order.

For the purpose of the new members, all members present were introduced. Item 2 was addressed at this time.

2) PRESENTATION BY CITY ATTORNEY ON HISTORY OF THE MCALLEN HOUSING FINANCE CORPORATION.

Mr. Darling gave a brief history relating to the McAllen Housing Finance Corporation and their association with McAllen Affordable Home (MAHI) and the McAllen Housing Authority (MHA). The Corporation was created to take advantage of tax-free financing. He noted that MAHI and MHA represent the underserved residents.

Mr. Cortez noted that research determined that the elderly population was underserved. Hence, MAHI received a loan from the corporation and built the elder community known as Sunset Gardens located on Jordan Avenue.

1) ELECTION OF OFFICERS

Mr. Cortez asked that someone else on the Corporation be given the privilege of serving as President and entertained a motion to elect a new President for the Corporation. Mr. Cardenas moved to nominate Armando Martinez for President and Margaret Rose Guerra as Vice President. Ms. Rodriguez seconded the motion. The motion carried unanimously by those present.

Mr. Darling recommended the appointment of the City's Finance Director Jerry Dale as Treasurer and City Secretary Annette Villarreal as Board Secretary.

Mr. Cardenas moved to appoint Jerry Dale and Annette Villarreal as recommended. Ms. Rodriguez seconded the motion. The motion carried unanimously by those present.

At this time, President Elect Martinez presided over the meeting.

3) APPROVAL OF MINUTES FOR MEETING HELD SEPTEMBER 20, 2001.

Mr. Cortez moved to approve the minutes for the meeting held September 20, 2001 as submitted. Mr. Cardenas seconded the motion. The motion carried unanimously by those present.

4) CONSIDERATION OF LOW INCOME HOUSING PROPOSAL BY McALLEN AFFORDABLE HOMES, INC.

Mr. Calvillo distributed a Project Summary for Palm View Gardens on Jordan and 29th Street. He reported that the project was completely built out in 18 months. The loan amount by the corporation was \$500,000 with 6% interest on the loan; hence, MAHI is ready to commence a new project known as Los Encinos II. MAHI is requesting that the corporation re-lend the same amount of \$500,000 at 0% interest rate due to the high cost of land. The alternative would be to sell the lots between \$11,000 and \$12,000. Three standard home sizes are offered with 1,200 sq. ft. living space. The average cost would be \$41,400 plus cost of lot and \$15,000 equity recaptured. Mr. Cortez asked about other projects. Mr. Darling reported that MHA is proposing to tear down La Retama Projects and rebuild. They will be requesting funding in the amount of \$75,000 to offset the planning stage. He will bring back a formal request at the next meeting.

Mr. Cortez moved to grant the loan in the amount requested (\$500,000) with 6% interest. Mr. Cardenas seconded the motion. Mr. Cardenas asked what the 6% would do to MAHI. Mr. Calvillo noted that the cost per lot would increase to \$11,500. After due consideration, Mr. Cardenas moved to change the interest rate to 4%. Mr. Martinez seconded the motion. The motion carried unanimously by those present.

With respect to an IRS Fund, Mr. Darling recommended the creation of a sub-committee to get syndicators (get tax credit, depreciation but be able to buy back for \$1.00).

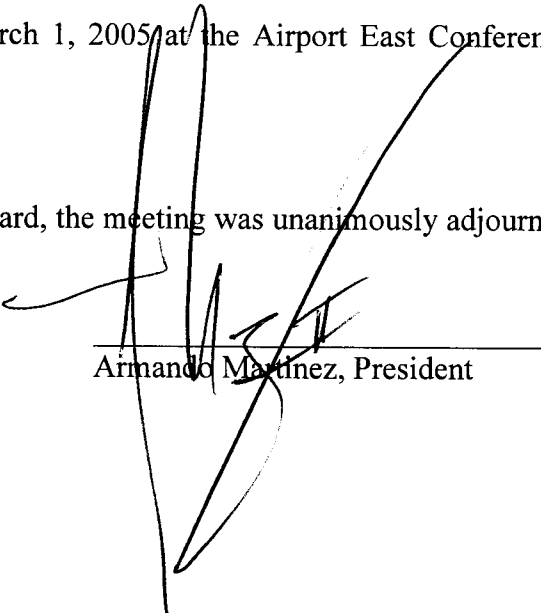
It was the consensus of the Board to meet on March 1, 2005 at the Airport East Conference Room.

ADJOURNMENT

There being no other business to come before the board, the meeting was unanimously adjourned at 1:00 p.m.

ATTEST:


Annette Villarreal
Corporation Secretary


Armando Martinez, President

**NOTICE OF A MEETING TO BE HELD BY THE
MCALLEN HOUSING FINANCE CORPORATION**

DATE: Tuesday, January 11, 2005
TIME: 12:00 NOON
PLACE: McAllen Miller International Airport
West Conference Room
2500 S. Bicentennial
McAllen, TX 78503

SUBJECT MATTERS:


CALL TO ORDER

- 1. Election of Officers.**
- 2. Presentation by City Attorney on history of the McAllen Housing Finance Corporation.**
- 3. Approval of minutes for meeting held September 20, 2001.**
- 4. Consideration of Low Income Housing Proposal by McAllen Affordable Homes, Inc.**
- 5. Report by the McAllen Housing Authority on Sunset Gardens Adult Community Living.**

ADJOURNMENT

CERTIFICATION

I, the Undersigned Authority, do hereby certify that the attached agenda of the meeting of the McAllen Housing Finance Corporation is a true and correct copy and that I posted a true and correct copy of said notice on the bulletin board in the Municipal Building, a place convenient and readily accessible to the general public at all times, and said Notice was posted on the 27th day of December 2004 at 2:00 pm and will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.


Annette Villarreal
City Secretary