



THE HOUSING AUTHORITY OF THE CITY OF MCALLEN

NOTICE OF SPECIAL MEETING

The Board of Commissioners of the McAllen Housing Authority will meet in a Special Session scheduled for 11:00 a.m. (concurrently with MHFC & MHDC Board Meeting).

Wednesday, July 26, 2023

Family Development Center | 2501 W. Maple Ave. | McAllen, TX 78501

or

via ZOOM Teleconference

<https://us06web.zoom.us/j/83118099501?pwd=Q0VxRXZYUVBWeHNtY1huMzZ3YzdsQT09>

Meeting ID: 831 1809 9501

United states: +1 346 248 7799

Passcode: 485815

For the following purpose:

AGENDA

1. Call Meeting to Order
2. Action Items:
  - a) Executive Session: Closed Session Under Government Code 551 Sections
    - Discuss and Review the Executive Directors Evaluation FY 23-24
  - b) Reconvene to Open Session; Action, if any, on:
    - Discuss and Review the Executive Directors Evaluation FY 23-24
3. Adjournment

Executive Session: If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the Board of Commissioners shall convene in such executive session or closed session in accordance with the Texas Open Meeting Act, Texas Government Code Section 551.007 through 551.075. Before any such session is convened, the presiding officer shall publicly identify the section or sections of the act authorizing the executive session. All final votes, actions, or discussions shall be taken in open session.

I certify that this Notice of Regular Meeting was posted on Friday, July 21, 2023, at or before 12:00 p.m., at the Main Office of the McAllen Housing Authority and Municipal Government Office, 1300 Houston Ave, McAllen, TX 78501 in compliance with Chapter 551, Government Code.



THE HOUSING AUTHORITY OF THE CITY OF MCALLEN

Rodolfo "Rudy" Ramirez, Executive Director

The Housing Authority of the City of McAllen is committed to compliance with the Americans with Disabilities Act (ADA). This meeting site/video conference is accessible to disabled persons. Reasonable accommodations and equal access to communications will be provided to those who provide notice to the Executive Director at (956) 686-3951 at least 48 hours in advance of meeting.



THE HOUSING AUTHORITY OF THE CITY OF MCALLEN

NOTICE OF ANNUAL MEETING

The Board of Commissioners of the McAllen Housing Authority will meet in an Annual Session scheduled for 11:00 a.m.

Wednesday, July 26, 2023

Family Development Center | 2501 W. Maple Ave. | McAllen, TX 78501

or

via ZOOM Teleconference

<https://us06web.zoom.us/j/82606822991?pwd=eGpCeEY4VG00RWpWbFJGV1ZYcktDQT09>

Meeting ID: 826 0682 2991

United states: +1 346 248 7799

Passcode: 769283

For the following purpose:

AGENDA

1. Call Meeting to Order
2. Public Comment
3. Action Items:
  - a) Board of Commissioners Nomination and Appointment of Chair and Vice-Chair for the Housing Authority of the City of McAllen and its Instrumentalities.
4. Adjournment

Executive Session: If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the Board of Commissioners shall convene in such executive session or closed session in accordance with the Texas Open Meeting Act, Texas Government Code Section 551.007 through 551.075. Before any such session is convened, the presiding officer shall publicly identify the section or section s of the act authorizing the executive session. All final votes, actions, or discussions shall be taken in open session.

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## THE HOUSING AUTHORITY OF THE CITY OF MCALLEN

### NOTICE OF REGULAR MEETING

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Wednesday, July 26, 2023

Family Development Center | 2501 W. Maple Ave. | McAllen, TX 78501

or

via ZOOM Teleconference

<https://us06web.zoom.us/j/84683593022?pwd=YXpOZHdVbzltM3JPeVNHcjlqVTN1dz09>

Meeting ID: 846 8359 3022

United states: +1 346 248 7799

Passcode: 444191

For the following purpose:

### AGENDA

1. Call Meeting to Order
2. Public Comment
3. Pledge of Allegiance
4. Invocation Pg. 3
5. Action Items:
  - a) Consideration and Possible Action to Approve Meeting Minutes of the Regular Board Meeting of June 28, 2023 Pg. 4-6
  - b) Consideration and Possible Action to Approve Resolution McAlHA 2023 – 05; A Resolution of the Housing Authority of the City of McAllen Approving the Section 8 Assessment Program (SEMAP) Certification for Fiscal Year ending June 30, 2023. Pg. 7-12
  - c) Consideration and Possible Action to Approving Opening of the Waitlist for the Section 8 Housing Choice Voucher Program (HCV) Pg. 13
  - d) Consideration and Possible Action to Approve Resolution McAlHA 2023 – 06; A Resolution of the Housing Authority of the City of McAllen Approving Amendments to the Housing Agency Retirement Trust (HART) Retirement Age. Pg. 14-17
  - e) Consideration and Possible Action to Approve the Leasing of the Old McAllen Housing Authority Administration Building. Pg. 18



- f) Consideration and Possible Action to Approve La Vista Apartments – Assignment of Partnership interest to MHFC from PNC Bank. Pg. 19-37

6. Non-Action Items:

- a) Executive Director's Report

7. Executive Session: Closed Session Under Government Code 551 Sections

- Pending Litigation Update – A&E

8. Reconvene to Open Session; Action, if any, on:

- Pending Litigation Update – A&E

9. Board Agenda Requests for August 2023 Board Meeting

10. Adjournment

Executive Session: If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the Board of Commissioners shall convene in such executive session or closed session in accordance with the Texas Open Meeting Act, Texas Government Code Section 551.007 through 551.075. Before any such session is convened, the presiding officer shall publicly identify the section or sections of the act authorizing the executive session. All final votes, actions, or discussions shall be taken in open session.

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THE HOUSING AUTHORITY OF THE CITY OF MCALLEN

  
Rodolfo "Rudy" Ramirez, Executive Director

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### **Invocation**

We gather here today intent on doing good work. May we use only our best skills and judgment, keeping ourselves impartial and neutral as we consider each matter that is placed before us and always act in accordance with what is best for our community.

**MINUTES OF THE MEETING**  
**OF THE MCALLEN HOUSING AUTHORITY REGULAR BOARD MEETING**  
**Wednesday, June 28, 2023**

CALL TO ORDER AND ROLL CALL – The regular meeting of the Board of Commissioner of the McAllen Housing Authority was held Wednesday, June 28, 2023, held at the Family Development Center and via Zoom teleconference. Chair Ronnie Cruz called the meeting to order at 11:32 a.m. Present and attendance for roll call were:

Present: Chair Ronnie Cruz  
Vice Chair Elva M. Cerda  
Commissioner Marc David Garcia  
Commissioner Eliseo “Tito” Salinas  
Resident Commissioner Kristel Garcia  
Assistant City Attorney Austin Stevenson

Absent:

Staff: Executive Director Rodolfo “Rudy” Ramirez  
Deputy Director Daniel Delgado  
Finance Director Jose Garcia  
Administrative Assistant Adriana Rosas

1. Call the meeting to order – 11:32 a.m.
2. Public Comment – None
3. Pledge of Allegiance – Vice Chair Elva M. Cerda
4. Innovation – Commissioner Marc David Garcia

5. Action Items:

- a) Consideration and Possible Action to Approve Meeting Minutes of the Regular Board Meeting of May 23, 2023 and the Meeting Minutes of the Special Meeting of June 7, 2023. **Chair Ronnie Cruz entertained a motion to approve meeting minutes. Vice Chair Elva M. Cerda made a motion to approve; Commissioner Marc David Garcia second the motion. Motion carried unanimously.**
- Assistant City Attorney Austin Stevenson enters the meeting at 11:33 AM.
- b) Consideration and Possible Action to Approve Training Travel – 2023 Southwest NAHRO Annual Conference – June 27-29 – Albuquerque, NM. **Chair Ronnie Cruz entertained a motion to approve Training Travel. Commissioner Eliseo “Tito” Salinas made a motion to approve; Commissioner Marc David Garcia second the motion. Motion carried unanimously.**
- c) Consideration and Possible Action to Approve Resolution McAHA 2023-03; A Resolution of the Housing Authority of the City of McAllen Approving the FY 23-24 Operating Budgets for Public Housing and Housing Choice Voucher Programs. **Finance Director Jose Garcia presented the operating budgets stating that there will be a reduction in capital funding for the upcoming FY. Increase in expenses due to inflation, health insurance, and property insurance. Cost of**

**materials, services and compensation will be monitored closely. Staff recommends approval. Chair Ronnie Cruz entertained a motion to approve the operating budget. Vice Chair Elva M. Cerda made a motion to approve; Commissioner Eliseo “Tito” Salinas second the motion. Motion carried unanimously.**

- Resident Commissioner Kristel Garcia enters the meeting at 11:36 AM.
- d) Consideration and Possible Action to Approve the McAllen Housing Authority Employee Organizational Chart and Salary Schedule for FY 23-24. **Item taken into Executive Session.**
- e) Consideration and Possible Action to Approve Resolution McAHA 2023-04; A Resolution of the of the Housing Authority of the City of McAllen Approving the Housing Agency Retirement Trust (HART) Retirement Plan 457(b). **Deputy Director Daniel Delgado stated the plan is designed to supplement an employee’s income. Employees may make pre-tax contributions through salary reductions or as Roth after-tax contribution up to the Internal Revenue Code (IRC) limits. This would be an additional benefit to staff and is completely voluntary. Staff recommends approval. Chair Ronnie Cruz entertained a motion to approve Resolution McAHA 2023-04. Commissioner Eliseo “Tito” Salinas made a motion to approve; Vice Chair Elva M. Cerda second the motion. Motion carried unanimously.**
- f) Considerations and Possible Action to Approve MOU with Affordable Homes of South Texas, Inc. (AHSTI) for 5K. **AHSTI and MHA agree to work cooperatively to successfully administer the annual fundraising effort in order to provide opportunities for training purposes and scholarships for residents pursuing higher education and career advancement. AHSTI will allow McAHA to retain all funds collected from the fundraising effort. Discussion ensued and the board members would like to emphasize that all funds and expenses are handled and retained by McAHA. Proposed changes will be made by Assistant City Attorney Stevenson. Chair Ronnie Cruz entertained a motion to approve MOU with proposed changes. Vice Chair Elva M. Cerda made a motion to approve; Commissioner Eliseo “Tito” Salinas second the motion. Motion carried unanimously.**
- g) Consideration and Possible Action to Approve Amendments to the Emergency Housing Voucher (EHV) Admin. Policy. **Annual review of EHV Admin. Policy identified an increase expense threshold better serving families. Deputy Director stated that amendments give the agency and families more flexibility. Staff recommends approval. Chair Ronnie Cruz entertained a motion to approve Amendments to EHV Admin. Policy. Commissioner Eliseo “Tito” Salinas made a motion to approve; Commissioner Marc David Garcia second the motion. Motion carried unanimously.**
- h) Consideration and Possible Action to Approve Addendum for the Stability Voucher Program with Hidalgo County and the Texas Homeless Network. **The existing MOU in place with Hidalgo County Urban Program and Texas Homeless Network is designed to assist families that are experiencing homelessness. McAHA has been awarded 7 vouchers under the HUD’s Stability Voucher Programs which will target the same population as EHV. Staff recommends approval. Chair Ronnie Cruz entertained a motion to approve Addendum. Vice Chair Elva M. Cerda made a motion to approve; Commissioner Marc David Garcia second the motion. Motion carried unanimously.**

6. Non-Action Items:

- a) Executive Directors Report
  - Scholarship 2023 recap provided
  - 2023-2024 McAHA agency calendar has been provided
  - Old Admin. will be rented to Easter Seals
  - Board Retreat scheduled for Aug. 19. 2023 at 9:30 AM
  - Possible future space rental to Rio Grande Valley Literacy Center

7. Executive Session Closed Session Under Government Code 551 Sections

- **Chair Ronnie Cruz entertained a motion to enter Executive Session. Vice Chair Elva M. Cerda made motion; Commissioner Eliseo “Tito” Salinas second the motion. Motion carried unanimously. Commissioners entered Executive Session at 12:20 PM.**

- a) Personnel Matters – Executive Directors Evaluation
- b) Pending Litigation Update - A&E

8. Reconvened to open session; Action if any on:

- **Chair Ronnie Cruz reconvened to open session at 12:45 PM**
  - a) Personnel Matters – Executive Directors Evaluation – **Tabled for further review.**  
**Chair Ronnie Cruz entertained a motion to table item. Vice Chair Elva M. Cerda made motion; Commissioner Marc David Garcia second the motion. Motion carried unanimously.**
  - b) Pending Litigation Update - A&E – **No action taken**

Action Item 5. D

Consideration and Possible Action to Approve the McAllen Housing Authority Employee Organizational Chart and Salary Schedule for FY 23-24. **The board recommends merit increase be changed to Cost of Living Adjustment with a 4% increase and all other employees who are under \$15.00 need to be adjusted to new agency minimum wage of \$15.00. Any recommendations for a merit increase may be brought to the board. Chair Ronnie Cruz entertained a motion to approve as discussed in Executive Session. Vice Chair Elva M. Cerda made motion; Commissioner Eliseo “Tito” Salinas second the motion. Motion carried unanimously.**

9. Board Agenda Requests for July Board Meeting

- Regular Meeting Scheduled for July 26, 2023, at 11:30AM
- ED Evaluation rescheduled under special meeting time and date TBD

10. Adjournment. **Chair Ronnie Cruz entertained motion to adjourn meeting. Commissioner Eliseo “Tito” Salinas made motion; Commissioner Marc David Garcia second the motion. Motion carried unanimously. Meeting Adjourned at 1:07 PM.**



**MCALLEN HOUSING AUTHORITY  
RESOLUTION NO. 2023 - 05**

**SECTION 8 MANAGEMENT ASSESSMENT PROGRAM  
(SEMAP)**

**STATE OF TEXAS**

**COUNTY OF HIDALGO**

**WHEREAS**, the Housing Authority of the City of McAllen has complied with the Section 8 Management Assessment Program (SEMAP) Certification as directed by the Department of Housing and Urban Development (HUD) for fiscal year end June 30, 2023; and

**WHEREAS**, the Housing Authority of the City of McAllen has to submit the required documents to the Department of Housing and Urban Development (HUD) for compliance with the requirements of the Section 8 Management Assessment Program (SEMAP) Certification.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF MCALLEN, TEXAS THAT:**

1. The Section 8 Management Assessment Program (SEMAP) Certification is hereby adopted to be submitted to the Department of Housing and Urban Development (HUD) on or before August 29, 2023.
2. The Executive Director is hereby authorized and directed to execute any action in reference to this Certification to the Department of Housing and Urban Development (HUD) and transmit the Certification via the reporting system on HUD website.

**READ, CONSIDERED, PASSED AND APPROVED** this 26th day of July, 2023 at a regular meeting of the Board of Commissioners of the City of McAllen Housing Authority at which a quorum was present and which was held in accordance with Chapter 551 Government Code.

**SIGNED** this 26th day of July, 2023.

**MCALLEN HOUSING AUTHORITY**

**BY:** \_\_\_\_\_  
Ronnie Cruz, Chairman  
Housing Authority Board of Commissioners

**ATTEST:**

\_\_\_\_\_  
Rodolfo “Rudy” Ramirez, Executive Director

# Section 8 Management Assessment Program (SEMAP) Certification

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0215  
(exp. 02/29/2020)

Public reporting burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

**Instructions** Respond to this certification form using the PHA's actual data for the fiscal year just ended.

PHA Name	For PHA FY Ending (mm/dd/yyyy)	Submission Date (mm/dd/yyyy)
MCALLEN HOUSING AUTHORITY	06/30/2023	

**Check here if the PHA expends less than \$300,000 a year in Federal awards** ☐

Indicators 1 - 7 will not be rated if the PHA expends less than \$300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than \$300,000 in Federal awards in a year must still complete the certification for these indicators.

## Performance Indicators

1. Selection from the Waiting List. (24 CFR 982.54(d)(1) and 982.204(a))

(a) The PHA has written policies in its administrative plan for selecting applicants from the waiting list.

PHA Response Yes ☒ No ☐

(b) The PHA's quality control samples of applicants reaching the top of the waiting list and of admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA's policies and met the selection criteria that determined their places on the waiting list and their order of selection.

PHA Response Yes ☒ No ☐

2. Reasonable Rent. (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)

(a) The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into consideration the location, size, type, quality, and age of the program unit and of similar unassisted units, and any amenities, housing services, maintenance or utilities provided by the owners.

PHA Response Yes ☒ No ☐

(b) The PHA's quality control sample of tenant files for which a determination of reasonable rent was required shows that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):

PHA Response ☒ At least 98% of units sampled ☐ 80 to 97% of units sampled ☐ Less than 80% of units sampled

3. Determination of Adjusted Income. (24 CFR part 5, subpart F and 24 CFR 982.516)

The PHA's quality control sample of tenant files shows that at the time of admission and reexamination, the PHA properly obtained third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):

PHA Response ☒ At least 90% of files sampled ☐ 80 to 89% of files sampled ☐ Less than 80% of files sampled

4. Utility Allowance Schedule. (24 CFR 982.517)

The PHA maintains an up-to-date utility allowance schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.

PHA Response Yes ☒ No ☐

5. HQS Quality Control Inspections. (24 CFR 982.405(b))

A PHA supervisor (or other qualified person) reinspected a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor's reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors.

PHA Response Yes ☒ No ☐

6. HQS Enforcement. (24 CFR 982.404)

The PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):

PHA Response ☒ At least 98% of cases sampled ☐ Less than 98% of cases sampled

7. Expanding Housing Opportunities. (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983.301(b)(4) and (b)(12)).

**Applies only to PHAs with jurisdiction in metropolitan FMR areas.**

**Check here if not applicable** ☐

(a) The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.

**PHA Response** Yes ☒ No ☐

(b) The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.

**PHA Response** Yes ☒ No ☐

(c) The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.

**PHA Response** Yes ☒ No ☐

(d) The PHA's information packet for voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.

**PHA Response** Yes ☒ No ☐

(e) The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.

**PHA Response** Yes ☒ No ☐

(f) The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

**PHA Response** Yes ☒ No ☐

8. Payment Standards. The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

**PHA Response** Yes ☒ No ☐

**Note:** PHA has implemented Small Area FMRs. Please see attachment.

Enter current FMRs and payment standards (PS)

0-BR FMR <u>710</u>	1-BR FMR <u>710</u>	2-BR FMR <u>900</u>	3-BR FMR <u>1170</u>	4-BR FMR <u>1290</u>
PS <u>745</u>	PS <u>745</u>	PS <u>945</u>	PS <u>1228</u>	PS <u>1354</u>

**If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, attach similar FMR and payment standard comparisons for each FMR area and designated area.**

9. Annual Reexaminations. The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 982.516)

**PHA Response** Yes ☒ No ☐

10. Correct Tenant Rent Calculations. The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program. (24 CFR 982, Subpart K)

**PHA Response** Yes ☒ No ☐

11. Precontract HQS Inspections. Each newly leased unit passed HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305)

**PHA Response** Yes ☒ No ☐

12. Annual HQS Inspections. The PHA inspects each unit under contract at least annually. (24 CFR 982.405(a))

**PHA Response** Yes ☒ No ☐

13. Lease-Up. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year.

**PHA Response** Yes ☒ No ☐

- 14a. Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required. (24 CFR 984.105)

**Applies only to PHAs required to administer an FSS program.**

**Check here if not applicable** ☒

**PHA Response**

a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection with Section 8 and Section 23 project-based contract terminations; public housing demolition, disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.)

or, Number of mandatory FSS slots under HUD-approved exception

25

b. Number of FSS families currently enrolled

56

c. Portability: If you are the **initial** PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

0

Percent of FSS slots filled (b + c divided by a)

100.00

14b. Percent of FSS Participants with Escrow Account Balances. The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances. (24 CFR 984.305)

**Applies only to PHAs required to administer an FSS program .**

Check here if not applicable ☐

PHA Response

Yes ☒

No ☐

59

Portability: If you are the **initial** PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

**Deconcentration Bonus Indicator** (Optional and only for PHAs with jurisdiction in metropolitan FMR areas).

The PHA is submitting with this certification data which show that:

- (1) Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;
- (2) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY;

or

- (3) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area over the last two PHA FYs is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

PHA Response

Yes ☐

No ☒

If yes, attach completed deconcentration bonus indicator addendum.

I hereby certify that, to the best of my knowledge, the above responses under the Section 8 Management Assessment Program (SEMAP) are true and accurate for the PHA fiscal year indicated above. I also certify that, to my present knowledge, there is not evidence to indicate seriously deficient performance that casts doubt on the PHA's capacity to administer Section 8 rental assistance in accordance with Federal law and regulations.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Executive Director, signature

Chairperson, Board of Commissioners, signature

Date (mm/dd/yyyy) \_\_\_\_\_

Date (mm/dd/yyyy) \_\_\_\_\_

The PHA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the PHA in providing its certification.

# SEMAP Certification - Addendum for Reporting Data for Deconcentration Bonus Indicator

Date (mm/dd/yyyy) \_\_\_\_\_

PHA Name \_\_\_\_\_

Principal Operating Area of PHA \_\_\_\_\_  
(The geographic entity for which the Census tabulates data)

**Special Instructions for State or regional PHAs** Complete a copy of this addendum for each metropolitan area or portion of a metropolitan area (i.e., principal operating areas) where the PHA has assisted 20 or more Section 8 families with children in the last completed PHA FY. HUD will rate the areas separately and the separate ratings will then be weighted by the number of assisted families with children in each area and averaged to determine bonus points.

1990 Census Poverty Rate of Principal Operating Area \_\_\_\_\_

## Criteria to Obtain Deconcentration Indicator Bonus Points

To qualify for bonus points, a PHA must complete the requested information and answer yes for only one of the 3 criteria below. However, State and regional PHAs must always complete line 1) b for each metropolitan principal operating area.

- 1) \_\_\_\_\_ a. Number of Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY who live in low poverty census tracts. A low poverty census tract is a tract with a poverty rate at or below the overall poverty rate for the principal operating area of the PHA, or at or below 10% whichever is greater.
- \_\_\_\_\_ b. Total Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY.
- \_\_\_\_\_ c. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last PHA FY (line a divided by line b).
- Is line c 50% or more? Yes ☐ No ☐

- 2) \_\_\_\_\_ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last completed PHA FY.
- \_\_\_\_\_ b. Number of Section 8 families with children who moved to low poverty census tracts during the last completed PHA FY.
- \_\_\_\_\_ c. Number of Section 8 families with children who moved during the last completed PHA FY.
- \_\_\_\_\_ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts during the last PHA fiscal year (line b divided by line c).
- Is line d at least two percentage points higher than line a? Yes ☐ No ☐

- 3) \_\_\_\_\_ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the second to last completed PHA FY.
- \_\_\_\_\_ b. Number of Section 8 families with children who moved to low poverty census tracts during the last two completed PHA FYs.
- \_\_\_\_\_ c. Number of Section 8 families with children who moved during the last two completed PHA FYs.
- \_\_\_\_\_ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts over the last two completed PHA FYs (line b divided by line c).
- Is line d at least two percentage points higher than line a? Yes ☐ No ☐

**If one of the 3 criteria above is met, the PHA may be eligible for 5 bonus points.**

**See instructions above concerning bonus points for State and regional PHAs.**



2023 Small Area Fair Market Rent (SAFMR) schedule – McAllen Housing Authority

<b>78501 by bedroom Size</b>	<b>0 Br</b>	<b>1 Br</b>	<b>2 Br</b>	<b>3 Br</b>	<b>4 Br</b>
<b>HUD SAFMR 2023</b>	<b>710</b>	<b>710</b>	<b>900</b>	<b>1,170</b>	<b>1,290</b>
Percent of HUD FMR	105	105	105	105	105
<b>New Payment Standard</b>	<b>745</b>	<b>745</b>	<b>945</b>	<b>1,228</b>	<b>1,354</b>
Current PHA Payment Standard	<b>704</b>	<b>715</b>	<b>913</b>	<b>1,188</b>	<b>1,309</b>

<b>78503 by bedroom Size</b>	<b>0 Br</b>	<b>1 Br</b>	<b>2 Br</b>	<b>3 Br</b>	<b>4 Br</b>
<b>HUD SAFMR 2023</b>	<b>810</b>	<b>810</b>	<b>1,030</b>	<b>1,340</b>	<b>1,480</b>
Percent of HUD FMR	105	105	105	105	105
<b>New Payment Standard</b>	<b>850</b>	<b>850</b>	<b>1,081</b>	<b>1,407</b>	<b>1,554</b>
Current PHA Payment Standard	<b>735</b>	<b>746</b>	<b>956</b>	<b>1,239</b>	<b>1,376</b>

<b>78504 by bedroom Size</b>	<b>0 Br</b>	<b>1 Br</b>	<b>2 Br</b>	<b>3 Br</b>	<b>4 Br</b>
<b>HUD SAFMR 2023</b>	<b>810</b>	<b>810</b>	<b>1,030</b>	<b>1,340</b>	<b>1,480</b>
Percent of HUD FMR	105	105	105	105	105
<b>New Payment Standard</b>	<b>850</b>	<b>850</b>	<b>1,081</b>	<b>1,407</b>	<b>1,554</b>
Current PHA Payment Standard	<b>777</b>	<b>788</b>	<b>1,008</b>	<b>1,313</b>	<b>1,449</b>

**Zip Codes 78502 and 78505 will continue to follow the Metropolitan Area based HUD Fair Market Rent Schedule as follows:**

<b>McAllen-Edinburg-Mission MSA Fair Market Rents</b>	<b>0 Br</b>	<b>1 Br</b>	<b>2 Br</b>	<b>3 Br</b>	<b>4 Br</b>
<b>HUD FMR 2023</b>	<b>689</b>	<b>693</b>	<b>877</b>	<b>1,141</b>	<b>1,257</b>
Percent of HUD FMR	110	110	110	110	110
<b>New Payment Standard</b>	<b>757</b>	<b>762</b>	<b>964</b>	<b>1,255</b>	<b>1,382</b>
Current PHA Payment Standard	<b>696</b>	<b>700</b>	<b>898</b>	<b>1,168</b>	<b>1,293</b>

## Executive Summary

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**Item:** Housing Choice Voucher Waiting List

**Discussion:** Reopening of Housing Choice Voucher Waiting List

McAHA has completed an internal review of the Housing Choice Voucher waiting list. Our records indicate that we have **three hundred eighty-four families (384)** currently on the waiting list. In an effort to manage this waitlist more efficiently, it is recommended that McAHA reopen the HCV waitlist effective **Thursday September 14, 2023**.

A 30 day public notice will be advertised to announce the reopening.

**Recommendation:** Staff recommends approval in allowing McAHA to reopen the HCV Waitlist.

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## Executive Summary

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**Item:** HART Retirement Plan Update

**Discussion:** The McAllen Housing Authority (McAHA) has been informed of 2 potential benefits within our HART retirement plan which, we would like to implement for the benefit of our employees. The benefits we are requesting to implement are as follows:

1. Allow employees/plan participants to request in service withdrawals from their retirement fund after age 59 ½.
2. Reduce the normal retirement age from 70 to 65.

The attached resolution and restated joinder agreement will allow MCAHA to implement these changes within our HART retirement plan.

**Recommendation:** Staff recommends approval of the attached resolution and joinder agreement.

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## **BOARD OF COMMISSIONERS RESOLUTION**

### **RESOLUTION NO. 2023-06**

**WHEREAS**, the Housing Authority of the City of McAllen (“Authority”) is a participating Employer in the Housing Agency Retirement Trust (“Plan”) for the benefit of its Employees; and

**WHEREAS**, the Authority has the right pursuant to Section 8.1 of the Plan to amend its Joinder Agreement and Plan Specifications as of the first day of any month; and

**WHEREAS**, effective July 1, 2023, the Authority desires to amend its Joinder Agreement and Plan Specifications to reflect changes to the retirement structure of the Authority and to incorporate prior amendments.

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority’s Restated Joinder Agreement and Plan Specifications, a copy of which is attached hereto and incorporated herein by reference, is hereby approved and adopted effective July 1, 2023.

**BE IT FURTHER RESOLVED**, by the Board of Commissioners that the Executive Director of this Authority is hereby authorized to sign the Restated Joinder Agreement and Plan Specifications for and on behalf of the Authority, and to take any and all actions necessary or appropriate to carry into effect the resolutions herein approved.

### **CERTIFICATE**

The undersigned, \_\_\_\_\_, does hereby certify the foregoing is a true, accurate and exact copy of the appropriate portion of the minutes of the meeting held on \_\_\_\_\_, and of the appropriate resolution and action taken there.

In witness thereof, the undersigned has hereunto set his hand this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

## ***Restated Joinder Agreement And Plan Specifications***

### **EMPLOYER NAME AND LOCATION**

Housing Authority of the City of McAllen  
McAllen, Texas

### **ORIGINAL EFFECTIVE DATE OF EMPLOYER PARTICIPATION**

April 1, 1997

### **HISTORY**

Effective April 1, 1997, the Housing Authority of the City of McAllen (“Employer”) originally adopted the Housing Agency Retirement Trust as constituted on that date, and as it may be amended from time to time thereafter (“Plan”). Subsequent thereto, this Employer’s Joinder Agreement and Plan Specifications has been amended from time to time.

### **PLAN SPECIFICATIONS**

Capitalized terms in this Joinder Agreement and Plan Specifications shall have the same meaning as set forth in the base Plan document, except as otherwise provided therein. The Employer now desires to restate it in its entirety effective July 1, 2023, as follows:

1. ***Employee Eligibility Requirements*** - All Eligible Employees shall become a Participant in the Plan on the first day of the month after the later of attainment of age eighteen (18) and completing one (1) year of continuous and uninterrupted employment with the Employer.

Eligible Employee means any person regularly employed by the Employer for at least forty (40) hours per week; provided, however, that the term Eligible Employee shall exclude any person who is a Leased Employee. The term Eligible Employee shall not include any person classified by the Employer as a temporary employee.

Participation in the Plan is mandatory for all Eligible Employees who have satisfied the requirements for participation in the Plan set forth herein.

2. ***Employer Deferred Contribution*** - Pursuant to Section 3.3 of the Plan, the Employer shall contribute thirteen percent (13%) of Employee Compensation (which means base rate of pay exclusive of all forms of extraordinary earnings such as bonuses and overtime) as an Employer Deferred Contribution. At the request of the Agency, this percentage may be changed via Board Resolution.
3. ***Temporary Employees*** - With respect to an Employee whose employment classification is changed from a temporary Employee to an Eligible Employee, the period for measuring continuous and uninterrupted service shall be deemed to have commenced on the date the Employee’s temporary employment commenced.
4. ***Normal Retirement Date*** - The Normal Retirement Date for Participants shall be the first day of the month following or coincident with the Participant’s sixty-fifth birthday.



5. ***Vesting Provisions*** - Employees shall always be one hundred percent vested in their Employee Voluntary After-Tax Contributions and the first five percent (5%) of the Employer's Deferred Contribution. Employees shall vest in the remaining Employer's Deferred Contribution Account at the rate of twenty percent (20%) for each Period of Service. A Period of Service shall mean each full year of continuous employment of an Employee with the Employer. Notwithstanding the above, any Participant shall be fully vested in the Employer's Deferred Contributions if, while employed by the Employer, he or she either attains Normal Retirement Age, becomes Totally and Permanently Disabled, or dies.
  
6. ***Special Credit for Eligibility and Vesting*** - Notwithstanding anything in this Joinder Agreement and Plan Specifications to the contrary, the amount of service required by this Plan for both eligibility and vesting purposes shall include the Participant's previous years of employment and/or previous years of Plan participation with any agency participating in the Housing Agency Retirement Trust, as if said service and Plan participation had been performed for the Employer.
  
7. ***Loan Provision*** - Participants are permitted to take loans from the Plan, subject to the terms and conditions set forth in the base Plan document.
  
8. ***In Service Distribution After Age 59 ½*** - Notwithstanding anything in this Joinder Agreement and Plan Specifications to the contrary, a Participant who is an active Employee and who has attained age 59½ may withdraw the vested portion of his or her Individual Account; provided, however, that the minimum amount of each such distribution shall be \$500.00.

This Restated Joinder Agreement and Plan Specifications to the Housing Agency Retirement Trust is executed this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

***Housing Authority of the City of McAllen***

By \_\_\_\_\_

Title \_\_\_\_\_ Executive Director

\* \* \* \* \*

Accepted the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

***Trustees of the Housing Agency Retirement Trust***

By \_\_\_\_\_

T. Edward Johnston, Executive Director

## Executive Summary

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**Item:**

Leasing of office space at 2301 Jasmine Avenue

**Discussion:**

Leasing of office space at 2301 Jasmine Avenue to local non-profit

The commercial building located at 2301 Jasmine Avenue is currently vacant and McAHA has an interest in leasing this building to local non-profit Easter Seals. Easter Seals would occupy and utilize the building as office space to conduct normal business operations. The leasing of office space to non-profits is permitted under HUD regulations and having Easter Seals near our Public Housing developments could be a potential benefit to our families.

McAHA is proposing to enter into a two (2) year lease at \$1,500 / month with Easter Seals for the subject property.

**Recommendation:**

Staff recommends approval.

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## Executive Summary

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**Item:**

La Vista Apartments – Reassignment of Partnership Structure

**Discussion:**

La Vista Apartments, a 48-unit multi-family LIHTC development has completed the initial 15-year compliance period. The partnership (La Vista Housing Associates, Ltd.) is now interested in a restructure which, involves a reassignment of the investment limited partner interest currently held by PNC Bank. The McAllen Housing Facility Corporation (MHFC) as an affiliate of the McAllen Housing Authority is our preferred entity to replace PNC due to MHFC's current role as sole member of the General Partner at La Vista.

PNC would exit from the partnership and the McAllen Housing Facility Corporation (MHFC) would replace PNC. This transaction involves a fee of **\$10,000.00** payable to PNC. The attached assignment and assumptions agreement contains full details of this transaction and has a closing date of **July 31, 2023**.

**Recommendation:**

Staff recommends approval.

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## ASSIGNMENT AND ASSUMPTION AGREEMENT

**THIS ASSIGNMENT AND ASSUMPTION AGREEMENT** (the “Agreement”) is entered into effective as of the Effective Date (as defined below) by and among **LA VISTA HOUSING ASSOCIATES, LTD.**, a Texas limited partnership (the “Partnership”), **LA VISTA HOUSING ASSOCIATES GP, LLC**, a Texas limited liability company (the “General Partner”), **PNC MULTIFAMILY CAPITAL INSTITUTIONAL FUND XXXVI LIMITED PARTNERSHIP**, a Delaware limited partnership (the “Investment Limited Partner”), **COLUMBIA HOUSING SLP CORPORATION**, an Oregon corporation (the “Special Limited Partner” and together with the Investment Limited Partner, the “Investor Limited Partners”), [REDACTED], a Texas limited liability company (the “Incoming Limited Partner”), **MADHOUSE DEVELOPMENT SERVICES, INC.**, a Texas corporation (the “Class B Limited Partner” and together with **ENRIQUE FLORES**, individually (the “Guarantors”).

### RECITALS

A. The Partnership is governed by its Amended and Restated Agreement of Limited Partnership of the Partnership dated as of November 1, 2007, as may have been amended from time to time prior to the date hereof (the “Partnership Agreement”), pursuant to which the General Partner is the sole general partner of the Partnership and the Investor Limited Partners and the Class B Limited Partner are each of the limited partners of the Partnership.

B. The Partnership was formed to construct, own and operate that certain 48-unit low-income housing project located in the City of McAllen, Hidalgo County, Texas (the “Project”). The Project is encumbered by a first mortgage loan from the PNC Bank, National Association (the “Lender”) with an outstanding principal and accrued interest indebtedness of approximately \$894,597 (the “Mortgage Indebtedness”).

C. The Investor Limited Partners have been allocated by the Partnership certain federal income tax benefits, including, without limitation, low-income housing tax credits (the “Tax Credits”) under Section 42 of the Internal Revenue Code (the “Code”).

D. The Investor Limited Partners and the Class B Limited Partner intend to transfer and convey all of their respective right, title and interest in and to the Partnership as limited partners thereto to the Incoming Limited Partner and the Incoming Limited Partner intends to acquire the ILP Partnership Interests (defined below) and the Class B Partnership Interest (defined below). The parties hereto would not enter into this Agreement but for the representations, warranties and covenants of the other parties as set forth herein.

E. The Guarantors have guaranteed certain obligations to the Investor Limited Partners pursuant to that certain Agreement of Guaranty dated as of November 1, 2007 (the “Guaranty Agreement”).

**NOW THEREFORE**, in consideration of the foregoing recitals, the undertaking of the parties set forth herein, and other consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

## AGREEMENT

### 1. Assignment and Assumption.

1.1 Investor Limited Partner Partnership Interests. Except as otherwise provided in this Agreement, the Investor Limited Partners hereby sell, transfer, convey and assign to the Incoming Limited Partner, effective upon satisfaction of the conditions set forth in Section 4, all of their right, title and interest in the Partnership and all of their rights under the Partnership Agreement, including without limitation, (i) all rights of the Investor Limited Partners to receive monies, fees, distributions and other property or assets due and/or to become due to the Investor Limited Partners under the Partnership Agreement and all other Project Documents, and (ii) all rights of the Investor Limited Partners to compel performance, vote or otherwise exercise all remedies under the Partnership Agreement and other Project Documents (collectively, the “ILP Partnership Interests”). The Incoming Limited Partner hereby acquires the ILP Partnership Interests effective as of the Effective Date and hereby assumes all obligations of the Investor Limited Partners under the Partnership Agreement and related documents from and after the Effective Date.

1.2 Class B Partnership Interest. Except as otherwise provided in this Agreement, the Class B Limited Partner hereby sells, transfers, conveys and assigns to the Incoming Limited Partner, effective upon satisfaction of the conditions set forth in Section 4, all of its right, title and interest in the Partnership and all of its rights under the Partnership Agreement, including without limitation, (i) all rights of the Class B Limited Partner to receive monies, fees, distributions and other property or assets due and/or to become due to the Class B Limited Partner under the Partnership Agreement and all other Project Documents, and (ii) all rights of the Class B Limited Partner to compel performance, vote or otherwise exercise all remedies under the Partnership Agreement and other Project Documents (collectively, the “Class B Partnership Interest”). The Incoming Limited Partner hereby acquires the Class B Partnership Interests effective as of the Effective Date and hereby assumes all obligations of the Class B Limited Partner under the Partnership Agreement and related documents from and after the Effective Date.

2. Price and Payment. No later than the Effective Date, the Incoming Limited Partner shall pay or cause to be paid to the Investor Limited Partners the amount of \$10,000 and shall pay or cause to be paid to the Class B Limited Partner the amount of \$ 1 (the “Purchase Price”) in accordance with instructions to be provided by the Investor Limited Partners and the Class B Limited Partner. The payment of the Purchase Price, together with other agreements and covenants of the Incoming Limited Partner, General Partner and the Partnership set forth herein, including but not limited to the agreement to indemnify and hold the Investor Limited Partners and Class B Limited Partner harmless from the Mortgage Indebtedness and all other liabilities of the Partnership following the Effective Date, shall constitute payment in full for the ILP Partnership Interests and Class B Partnership Interest.

3. Withdrawal and Admittance. The Investor Limited Partners and Class B Limited Partner hereby withdraw from the Partnership and the Incoming Limited Partner is hereby admitted into the Partnership effective on the Effective Date. Except as provided herein, from and after the Effective



Date neither the Investor Limited Partners, the Class B Limited Partner nor any of their respective affiliates, members, directors, officers, employees, designees assignees or beneficiaries shall have any right to any distributions, allocations or other payments or benefits from the Partnership or its partners nor shall they have the right to the return of any capital contributions or advances. The execution hereof shall constitute the consent of the Partnership and each of the Partners to the assignment of the ILP Partnership Interests and the Class B Partnership Interest to the Incoming Limited Partner, the admittance of the Incoming Limited Partner and the withdrawal by the Investor Limited Partners and Class B Limited Partner.

4. **Effective Date; Closing Conditions.** Subject to the conditions set forth in this Section 4 and each of the other conditions set forth in this Agreement, the Effective Date shall be effective as of ~~June 30~~ July 31, 2023 (the “Effective Date”). Notwithstanding the signature of each of the parties below, this Agreement shall not be effective or enforceable until the latest of: (a) receipt by the Investor Limited Partners and the Class B Limited Partner of their respective Purchase Price amounts; and (b) receipt by the Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner, Guarantors and the Investor Limited Partners of PDF copies of executed signatures by each of the of the parties to this Agreement. In the event that the above conditions to closing do not occur for any reason on or before ~~June 30~~ July 31, 2023, this Agreement shall be null and void and nothing contained herein shall constitute a waiver or defense of any duty or obligation by any party under the Partnership Agreement or under any of the Project Documents.

5. **Mutual Release and Discharge.** Except as otherwise provided herein, each of the parties to this Agreement hereby release and forever discharge the other parties in this Agreement and each of their respective past and future partners (general or limited), shareholders, affiliates, members, directors, officers, employees, designees, assignees and beneficiaries from any and all claims, demands, damages, losses, liabilities, actions, causes of action, or suits of any kind or nature whatsoever, arising from or relating in any way to (i) the Partnership and the ownership, operation and activities thereof of the Partnership and the Project, (ii) the Partnership Agreement and each of the other documents executed in connection with the Partnership Agreement (other than the survival of the Recapture Provisions of the Partnership Agreement described in Section 9 of this Agreement), (iii) any advances, capital contributions or loans (not including the Mortgage Indebtedness) made to the Partnership; provided, however, that each party remains responsible for any claims, demands, actions, losses, or damages (x) accruing prior to the Effective Date and (y) arising or resulting from the terms and conditions of this Agreement. Each party represents that it has not assigned or transferred any claim that is the subject of the release in the preceding sentence.

The Guaranty Agreement shall remain in effect with respect to (a) each of the Guaranteed Obligations (as defined in the Guaranty Agreement) arising or events occurring prior to the Effective Date and (b) each of the Recapture Provisions described in Section 9 of this Agreement, and shall not be terminated or extinguished regardless of the date on which such Guaranteed Obligation is discovered.

6. **Representations, Warranties and Covenants of the Partnership, General Partner, and Incoming Limited Partner; Indemnification.**

6.1 **Representations, Warranties and Covenants.** The Partnership, General Partner and Incoming Limited Partner, where indicated, each represent, warrant and covenant (each as to itself

and not as to any other party) to the Investor Limited Partners and the Class B Limited Partner as follows:

6.1.1 The Partnership, General Partner and Incoming Limited Partner are each duly organized, validly existing and in good standing under the laws of the State of Texas and each of them have the right, power, legal capacity and authority to execute and enter into this Agreement and to execute all other documents and perform all other acts as may be necessary in connection with the performance of this Agreement.

6.1.2 The execution, delivery and performance of this Agreement does not and will not contravene or conflict with any law, order, rule, regulation, writ, injunction or decree now in effect of any government, governmental instrumentality or court or tribunal having jurisdiction over it/him, or any contractual restriction binding on or affecting it/him or any facts or circumstances of any kind or nature whatsoever of which it/he is aware that could in any way impair or prevent it/him from performing its/his obligations under this Agreement.

6.1.3 It has made such investigation of the facts pertaining to this Agreement, and all of the matters pertaining thereto, as it deems necessary and has received independent tax and legal advice from attorneys of its choice with respect to the advisability of executing this Agreement.

6.1.4 Except as expressly provided herein, no person has made any statement or representation to it regarding any fact relied upon by it in entering into this Agreement and it specifically does not rely upon any statement, representation, or promise of any other person in executing this Agreement.

6.1.5 On or before the earlier of February 28, 2024, the General Partner shall cause to be prepared and delivered to the Investor Limited Partners and Class B Limited Partner, at no expense to the Investor Limited Partners or Class B Limited Partner, the Partnership's final federal, state and local tax returns for 2023 and all accompanying schedules and account work papers, which must include the Schedule K-1 of the Investor Limited Partners and Class B Limited Partner. The General Partner shall not file such tax returns until the Investor Limited Partners shall have approved the specific documents for filing. In addition, and not in limitation of Investor Limited Partners' remedies under this Agreement, if the General Partner shall fail to provide the requested documents or information to the Investor Limited Partners within the required time hereunder and the General Partner has not cured such default within five (5) business days after notice thereof by the Investor Limited Partners or an affiliate, then the General Partner shall pay to the Investor Limited Partners upon written demand the amount of One Hundred Dollars (\$100) per day until all of the requested documents or information is delivered to the Investor Limited Partners.

6.1.6 Without the prior written consent of the Investor Limited Partners (not to be unreasonably withheld, conditioned or delayed), the Partnership will not file (or cause or permit any other person or entity to file) any amended tax return of the Partnership relating to any period prior to the Effective Date.

6.1.7 If required under the Partnership Agreement, the General Partner shall cause to be prepared and delivered to the Investor Limited Partners, at no expense to the Investor Limited Partners, an audited financial statement of the Partnership for fiscal year 2023, prepared by the

Partnership's accountants, in full compliance with GAAP and in accordance with the terms of and during the timeframe required under the Partnership Agreement.

6.1.8 The Incoming Limited Partner is acquiring the ILP Partnership Interests and the Class B Partnership Interest for its own account, for investment, and not with a view toward the resale or distribution thereof in violation of applicable securities laws.

6.1.9 The Incoming Limited Partner understands that the ILP Partnership Interests and the Class B Partnership Interest is not registered under the Securities Act of 1933, as amended ("Securities Act"), or any applicable state securities laws, and may not be resold unless subsequently registered under the Securities Act and such other laws unless an exemption from such registration is available. It understands and agrees that, subject to the terms and conditions contained in the Partnership Agreement, it may only pledge, transfer, convey or otherwise dispose of any of the ILP Partnership Interests or Class B Partnership Interest in compliance with the Securities Act and applicable state securities laws as then in effect.

6.1.10 The Incoming Limited Partner has the ability to bear the economic risks of the investment in the ILP Partnership Interests and the Class B Partnership Interest for an indefinite period of time. It further acknowledges that it has reviewed the Partnership Agreement and has had the opportunity to ask questions of, and receive answers from the General Partner with respect to the ILP Partnership Interests and the Class B Partnership Interest and the business and financial condition of the Partnership and to obtain additional information necessary to verify such information. Except as expressly provided herein, neither the Investor Limited Partners, the Class B Limited Partner nor any of their partners, employees, officers or agents have made any statements or representations to the Incoming Limited Partner or any of its employees, members, partners, agents or affiliates, relied upon by the Incoming Limited Partner in executing this Agreement.

6.1.11 The Incoming Limited Partner has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the ILP Partnership Interests and the Class B Partnership Interest. It further represents that it is an "accredited investor" as such term is defined in Rule 501 under the Securities Act and is a "qualified purchaser" as such term is defined in Section 2(a)(51) of the Investment Company Act.

6.1.12 No state, county, city or other local transfer tax or similar tax will arise, accrue or be payable by any partner (including the Investor Limited Partners) of the Partnership or the Partnership as a result of any of the transactions contemplated by this Agreement, including but not limited to the sale of the ILP Partnership Interests and the Class B Partnership Interest to the Incoming Limited Partner.

6.1.13 The Incoming Limited Partner is aware of and is acquiring the ILP Partnership Interest and Class B Partnership Interest with full knowledge of each of the regulatory restrictions that encumber the Project, including but not limited to those imposed by Section 42 of the Code, and the Project shall continue to satisfy the income limitations and rent restrictions imposed by Section 42 of the Code, the Texas Department of Housing and Community Affairs (the "Tax Credit Agency") and all applicable regulatory agreements.

6.1.14 Notwithstanding anything contained in this Agreement to the contrary, the parties hereto acknowledge and agree that prior to the Effective Date, the Partnership, General Partner and/or Incoming Limited Partner must obtain all approvals and/or consents (the “Approvals”), both on their behalf and on behalf of Investor Limited Partners and Class B Limited Partner, that are or may be deemed to be necessary to effectuate the transaction contemplated herein (including any required approval of the Tax Credit Agency, the Lender, the U.S. Department of Housing and Urban Development (“HUD”), and any other lenders or governmental agencies) and the Investor Limited Partners and Class B Limited Partner shall have no liability to the Partnership, General Partner or Incoming Limited Partner for the failure to obtain such Approvals; provided, however, the Investor Limited Partner and Class B Limited Partner shall act in good faith and using commercially reasonable efforts to assist such parties in securing said approvals.

6.1.15 It has no knowledge of any event or circumstance that reasonably could be expected to result in recapture of any of the Tax Credits.

6.1.16 It has no knowledge of any purchase option, right of first refusal or similar agreement pursuant to which any party has the right to acquire all or any part of the Project, the ILP Partnership Interest or the Class B Partnership Interest other than as set forth in that certain Option and Right of First Refusal Agreement dated as of November 1, 2007 (the “Option Agreement”) and the Extended Low-Income Housing Commitment (as defined in the Partnership Agreement).

6.1.17 The Partnership, General Partner and Incoming Limited Partner shall promptly notify the Investor Limited Partners and Class B Limited Partner upon learning of any breach or violation of any provision of any of the provisions of this Section 6 and, as of the Effective Date, it has no knowledge of any existing or threatened IRS audit or inquiry of the Partnership or any other violation of or default under the Partnership Agreement.

6.2 Partnership, General Partner and Incoming Limited Partner Indemnification. The Partnership, General Partner and Incoming Limited Partner shall jointly and severally indemnify, defend and hold harmless the Investor Limited Partners and their past and future partners (general or limited), shareholders, affiliates, members, directors, officers, employees, assignees and beneficiaries (the “PNC Entities”) and the Class B Limited Partner and its past and future partners (general or limited), shareholders, affiliates, members, directors, officers, employees, assignees and beneficiaries (the “Class B Entities”) from and against, and shall upon demand reimburse the PNC Entities and/or Class B Entities for any and all losses, claims, liabilities, damages, injunctive relief, injuries to person, property or natural resources, costs, actions or causes of action, fines, penalties, judgments, taxes, charges, assessments, damages (including consequential damages suffered by a third party claimant), costs and expenses (including reasonable attorneys’ fees and expenses), of every kind and nature whatsoever (collectively, “Damages”), whether direct or indirect, realized, suffered or incurred by or imposed upon the PNC Entities and/or the Class B Entities arising in whole or in part from: (i) the breach of any of its representations, warranties or covenants of Section 6.1; (ii) the Partnership’s or General Partner’s failure to pay and discharge all obligations and liabilities of the Partnership, whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due, or any claim made by any creditor of the Partnership or the General Partner seeking to hold the Investor Limited Partners liable for any amounts owed by the Partnership or the General Partner, including but not limited to any claim that would

require the Investor Limited Partners and/or Class B Limited Partner to repay or return all or any part of their respective Purchase Price; (iii) the development, ownership, operation or activities of the General Partner, Partnership or Project accruing prior to the Effective Date; (iv) any act or failure to act of the General Partner, Incoming Limited Partner, or the Partnership with respect to the Project or Partnership occurring prior to the Effective Date; (v) the failure of the General Partner or Partnership to pay any state, city, county or other local transfer tax or similar tax that arises as a result of any of the transactions contemplated by this Agreement; and (vi) the failure to obtain the Approvals.

**7. Representations, Warranties and Covenants of the Class B Limited Partner and the Guarantors; Indemnification.**

7.1 Representations, Warranties and Covenants. The Class B Limited Partner and the Guarantors each represent, warrant and covenant (each as to itself and not as to any other party) to the Investor Limited Partners and the General Partner as follows:

7.1.1 The Class B Limited Partner is duly organized, validly existing and in good standing under the laws of the State of Texas and the Class B Limited Partner and the Guarantors have the right, power, legal capacity and authority to execute and enter into this Agreement and to execute all other documents and perform all other acts as may be necessary in connection with the performance of this Agreement.

7.1.2 The execution, delivery and performance of this Agreement does not and will not contravene or conflict with any law, order, rule, regulation, writ, injunction or decree now in effect of any government, governmental instrumentality or court or tribunal having jurisdiction over it/him, or any contractual restriction binding on or affecting it/him or any facts or circumstances of any kind or nature whatsoever of which it/he is aware that could in any way impair or prevent it/him from performing its/his obligations under this Agreement.

7.1.3 It/He has made such investigation of the facts pertaining to this Agreement, and all of the matters pertaining thereto, as it/he deems necessary and has received independent tax and legal advice from attorneys of its/his choice with respect to the advisability of executing this Agreement.

7.1.4 Except as expressly provided herein, no person has made any statement or representation to it/him regarding any fact relied upon by it/him in entering into this Agreement and it/he specifically does not rely upon any statement, representation, or promise of any other person in executing this Agreement.

7.1.5 It/he has no knowledge of any event or circumstance that reasonably could be expected to result in recapture of any of the Tax Credits.

7.1.6 It owns its Class B Partnership Interest free and clear of all mortgages, pledges, liens, security interests, claims, covenants or any other restrictions (other than restrictions that may be imposed by the Tax Credit Agency, the Option Agreement, the Extended Low-Income Housing



Commitment, any secured or mortgaged loan indebtedness encumbering the Project and any other recorded regulatory or similar agreements)

7.1.7 The Class B Limited Partner shall promptly notify the Investor Limited Partners and the General Partner of any breach or violation of any of the provisions of this Section 7.

7.2 Class B Limited Partner and Guarantor Indemnification. The Class B Limited Partner and the Guarantors shall jointly and severally indemnify, defend and hold harmless the PNC Entities and the Partnership, General Partner, Incoming Limited Partner and the Class B Limited Partner and their respective past and future partners (general or limited), shareholders, affiliates, members, directors, officers, employees, assignees and beneficiaries (the “Continuing Partner Entities”) from and against, and shall upon demand reimburse the PNC Entities and/or the Continuing Partner Entities for any and all Damages, whether direct or indirect, realized, suffered or incurred by or imposed upon the PNC Entities and/or the Continuing Partner Entities arising in whole or in part from the breach of any of the Class B Limited Partner or Guarantor representations, warranties or covenants of Section 7.1.

8. **Representations, Warranties and Covenants of the Investor Limited Partners; Indemnification.**

8.1 Representations, Warranties and Covenants. The Investor Limited Partners represent, warrant and covenant to the Partnership, General Partner, Incoming Limited Partner and the Class B Limited Partner as follows:

8.1.1 The Investment Limited Partner is duly organized, validly existing and in good standing under the laws of the State of Delaware; the Special Limited Partner is duly organized, validly existing and in good standing under the laws of the State of Oregon; and each has the right, power, legal capacity and authority to execute and enter into this Agreement, having received all consents from their respective affiliates needed in connection with the transaction contemplated by this Agreement, and to execute all other documents and perform all other acts as may be necessary in connection with the performance of this Agreement, and each has the full power, capacity and authority, and the unrestricted right to convey, transfer and assign the ILP Partnership Interests pursuant hereto, other than restrictions that may be imposed by the Tax Credit Agency, the Option Agreement, the Extended Low-Income Housing Commitment, any secured or mortgaged loan indebtedness encumbering the Project and any other recorded regulatory or similar agreements.

8.1.2 The execution, delivery and performance of this Agreement by the Investor Limited Partners does not and will not contravene or conflict with any law, order, rule, regulation, writ, injunction or decree now in effect of any government, governmental instrumentality or court or tribunal having jurisdiction over them, or any contractual restriction binding on or affecting them or any facts or circumstances of any kind or nature whatsoever of which they are aware that could in any way impair or prevent them from performing their obligations under this Agreement.

8.1.3 Each owns its ILP Partnership Interests free and clear of all mortgages, pledges, liens, security interests, claims, covenants or any other restrictions (other than restrictions that may be imposed by the Tax Credit Agency, the Option Agreement, the Extended Low-Income Housing

Commitment, any secured or mortgaged loan indebtedness encumbering the Project and any other recorded regulatory or similar agreements).

8.1.4 The Investor Limited Partners shall promptly notify the Incoming Limited Partner and Class B Limited Partner of any breach or violation of any of the provisions of this Section 8.

8.2 Indemnification. The Investor Limited Partners shall indemnify, defend and hold harmless the Continuing Partner Entities and the Class B Entities from and against, and shall upon demand reimburse such parties for any and all Damages, whether direct or indirect, realized, suffered or incurred by or imposed upon any of the Continuing Partner Entities arising in whole or in part from the breach of any of the representations, warranties or covenants of this Section 8.

9. **Continuing Tax Credit Recapture Liability**. Notwithstanding (a) the execution of this Agreement, (b) the withdrawal of the Investor Limited Partners and the Class B Limited Partner from the Partnership, and/or (c) any future dissolution or termination of the Partnership, the provisions of Section 3.5 of the Partnership Agreement and any ancillary or related provisions of the Partnership Agreement that may be necessary to interpret or enforce the provisions of Section 3.5 (collectively, the “Recapture Provisions”) shall survive and remain fully enforceable by the Investor Limited Partners (their successors, assigns, partners, members and/or shareholders) against the General Partner and the Guarantors (as guaranteed under the Guaranty Agreement) and each of their successors and assigns for so long as the IRS may be legally permitted to assess tax liability against the Investor Limited Partners (their successors, assigns, partners, members and/or shareholders) in connection with any disallowance or recapture of any Tax Credits; provided, however, that in lieu of the General Partner’s obligation to make a Capital Contribution to the Partnership in the amount of the entire Adjustment Amount, as required under Section 3.5(d)(1) of the Partnership Agreement, the General Partner and Guarantors shall be jointly and severally liable to pay such Adjustment Amount directly to the Investor Limited Partners from their own funds as a guaranteed payment, without right of reimbursement or capital account credit. The Recapture Provisions, as amended hereby, are hereby incorporated as a part of this Agreement. The General Partner and the Guarantors hereto acknowledge and agree that the Recapture Provision obligations include the obligation of the General Partner and Guarantors to pay any Adjustment Amount caused by the failure of the Partnership to pay any Deferred Developer Fee.

## 10. **Reports and Notices; Record Retention and Review**.

10.1 Reports and Notices. The General Partner shall promptly notify the Investor Limited Partners in writing of any event or circumstance which might reasonably result in a Tax Credit recapture and, without limitation, shall promptly deliver to the Investor Limited Partners copies of: (i) all notices, reports, inquiries, correspondence and other documents delivered to, or received from the Tax Credit Agency with respect to matters of Tax Credit compliance; and (ii) any letter or notice of audit, inquiry or investigation from the IRS or other regulatory or governmental body which pertains to matters of Tax Credit compliance, and copies of all subsequent correspondence with respect to such audit, inquiry or investigation.

10.2 Record Retention and Review. The Partnership, and in the event of the dissolution of the Partnership, the General Partner, shall retain all Tax Credit compliance records as may

be required by the Tax Credit Agency and Section 42 of the Code for the longer of the periods required by the Tax Credit Agency and the Code. Specifically and without limitation, (i) the records described in Treasury Regulation 1.42-5(b)(1) shall be retained for at least six (6) years after the due date (with extensions) for filing the federal income tax return for the year to which such records relate, and (ii) the records for the first year of the Credit Period shall be retained for at least six (6) years beyond the due date (with extensions) for filing the federal income tax return for the last year of the Compliance Period for each Project building. Upon reasonable notice to the Partnership and General Partner, the Investor Limited Partners, at their sole cost and expense, shall have the right to review and obtain copies of all such records, together with any other books and records relating to the operation of the Partnership or the Project prior to the Effective Date, which are in the possession or control of the Partnership or General Partner.

11. **Right of First Negotiation.** It is the intent of the parties hereto that if the Partnership, General Partner, Incoming Limited Partner, or any of their respective affiliates or designees (the “Obligated Parties”) receive from the Tax Credit Agency a new reservation of low income housing tax credits with respect to the Project (the “Resyndicated Project”) then the Obligated Parties shall provide written notice of such Resyndicated Project to the PNC Entities or their designee and the same shall have the right to negotiate to acquire a majority limited partner (or member) interest (an “Investor Interest”) in the entity that will own the Resyndicated Project upon then market terms and conditions. The Obligated Parties hereby grant the PNC Entities or their designee the exclusive right of first negotiation (but not the obligation) to acquire the Investor Interest of the Resyndicated Project. The Obligated Parties agree to work exclusively in good faith with PNC Entities to finalize terms and shall not solicit other offers for this investment until such time as PNC Entities shall have declined to make such offer or the parties, each in their reasonable discretion, are not able to reach an agreement on mutually agreeable terms and either party, in its sole discretion, terminates negotiations. The PNC Entities shall have 60 days from receipt of information sufficient to analyze the investment opportunity and to provide such offer to the Obligated Parties or decline to make an offer. If the PNC Entities declines to make such offer, the exclusivity arrangement will be terminated. Notwithstanding anything to the contrary contained in this paragraph, the parties hereto acknowledge and agree that the Obligated Parties shall have no obligation or duty to seek out a new allocation of low income housing tax credits with respect to the Project and this paragraph shall be applicable only if, by their own choice, the Obligated Parties seek out and receive a new allocation of tax credits. Further, the parties hereto acknowledge and agree that any rights granted to the PNC entities under this Section 11 shall terminate upon the fifth anniversary of the end of the Compliance Period.

12. **Miscellaneous.**

12.1 **Costs and Attorney Fees.** The Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner and Guarantors (each as to itself and not as to any other party) agree to reimburse the Investor Limited Partners for all reasonable out of pocket costs and expenses, including attorney fees, which the Investor Limited Partners hereunder may incur (a) in the collection of any amounts owing under this Agreement, and/or (b) for the enforcement of this Agreement or any term, agreement, covenant, provision, obligation, or duty arising hereunder. In the event of litigation or other proceeding in connection with this Agreement, the prevailing party shall be entitled, in addition to all other sums and relief, to reasonable attorney fees, out of pocket costs, disbursements, including all such fees, costs, and disbursements incurred both at and in preparation for trial and any appeal or review, said

amount to be set by the courts before which the matter is heard. Except as provided above, each party shall bear its own accounting, attorneys and other fees and costs.

12.2 Notices. All notices, demands or other communications hereunder shall be in writing and shall be deemed to have been given when the same are (i) delivered to a nationally recognized overnight courier service, service prepaid, which requires written acknowledgement of receipt, (ii) when delivered personally and signed by an authorized signatory, in each case, to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to other parties, or (iii) by email, with confirmation immediately followed by certified or registered mail, postage prepaid, in each case at the applicable addresses set forth below:

If to the

Investor Limited Partners:

PNC MultiFamily Capital Institutional Fund XXXVI LP  
and Columbia Housing SLP Corporation  
c/o PNC Real Estate  
121 SW Morrison, Suite 1300  
Portland, Oregon 97204  
Attention: Ashlie M. Johnson

With a copy to:

Bateman Seidel, P.C.  
Attn: Chris Campbell  
1000 SW Broadway, Suite 1910  
Portland, Oregon 97205

If to the Partnership:

La Vista Housing Associates, Ltd.  
c/o: McAllen  
Housing Authority  
Attn: Executive  
Director  
1200 N. 25<sup>th</sup> Street  
McAllen, Texas 78501

If to the General Partner:

La Vista Housing Associates GP, LLC  
c/o: McAllen  
Housing Authority  
Attn: Executive  
Director  
1200 N. 25<sup>th</sup> Street  
McAllen, Texas 78501

If to the Incoming Limited Partner:

c/o: McAllen Housing Authority

Attn: [REDACTED] Executive  
Director  
1200 N. 25<sup>th</sup> Street  
McAllen, Texas 78501

~~Each with a copy to:~~

Attn: [REDACTED]

If to the Guarantors  
And Class B Limited Partner:

Henry Flores  
and Madhouse Development Services, Inc.  
8500 Shoal Creek Blvd.  
Building 4, Suite 208  
Austin, TX 78757

With a copy to:

Locke Lord LLP  
Attn: Cynthia L. Bast  
600 Congress Avenue, Suite 2200  
Austin, TX 78701

12.3 Entire Agreement. This Agreement constitutes the entire agreement among the parties and supersedes any prior agreement or understanding among them respecting the subject matter of this Agreement.

12.4 Consents and Approvals. Under any circumstance in which a provision of this Agreement requires or otherwise contemplates the approval, consent, election, requirement or determination of a Investor Limited Partner with respect to any matter, except as otherwise expressly set forth herein, such approval, consent, election, requirement or determination shall be at the sole and absolute discretion of the Investor Limited Partners but shall not be unreasonably withheld, conditioned or delayed, and shall be effective only if given or made in writing, unless otherwise expressly provided to the contrary in this Agreement.

12.5 Headings. All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any article or section.

12.6 Saving Clause. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, neither the remainder of this Agreement, nor the application of such provision to persons or circumstances other than those as to which it is held invalid shall be affected thereby.

12.7 Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require.

12.8 Binding Agreement. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their successors, heirs, legatees, devisees, assigns, legal representatives, and personal representatives, except as otherwise provided herein. Provided, the Partnership, General Partner, Incoming Limited Partner and the Guarantors shall not be permitted to assign any of its obligations or delegate any of its duties under this Agreement without the prior written consent of the Investor Limited Partners, which consent shall not be unreasonably withheld, conditioned or delayed.

12.9 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto, even though all parties are not signatory to the original or the same counterpart. Any counterpart which has attached to it separate signature pages, which altogether contain the signatures of all parties whose signature thereon are required, shall for all purposes be deemed a fully executed instrument.

12.10 Defined Terms. Terms not otherwise defined in this Agreement shall have the meaning set forth in the Partnership Agreement.

12.11 Additional Documents. The Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner, Guarantors and the Investor Limited Partners, at the Effective Date, or at any time or from time to time thereafter, upon request of either party, shall execute such additional instruments, documents or certificates as any party deems reasonably necessary to convey, assign and transfer the interest to the Incoming Limited Partner hereunder.

12.12 No Broker. The Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner, Guarantors and the Investor Limited Partners (each as to itself and not as to any other party) hereby represent and warrant to the other that it has not dealt with any broker or finder in connection with the transaction contemplated hereby. The Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner, Guarantors and the Investor Limited Partners each hereby agree to indemnify, defend and hold the other harmless from any and all manner of claims, liabilities, loss, damage, attorneys' fees and expenses, incurred by either party and arising out of, or resulting from, any claim by any broker or finder in contravention of its representation and warranty herein contained.

12.13 Time of Essence. All times, wherever specified herein for the performance by the Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner, Guarantors or the Investor Limited Partners of their respective obligations hereunder, are of the essence of this Agreement.

12.14 Electronic or Facsimile Signatures. This Agreement may be executed by the use of electronic or facsimile signatures, and all such signatures shall be deemed to be original signatures for all purposes.

12.15 Relationship of the Parties. The parties shall perform all obligations under this Agreement independently, and nothing contained in this Agreement shall be deemed to create an agency relationship between the Investor Limited Partners and the Class B Limited Partner.

12.16 Governing Law, Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Each of the undersigned irrevocably (i) agrees that any suit, action or other legal proceeding arising out of this Agreement or any of the

transactions contemplated hereby shall be brought in the courts of either the State of Texas or the Commonwealth of Pennsylvania; (ii) consents to the jurisdiction of each such court in any suit, action, or proceeding; and (iii) waives any objection which he or it may have to the laying of venue of any such suit, action or proceeding in each of such courts. Each of the undersigned expressly agrees that the right to remove any suit, action or other legal proceedings arising out of this Agreement or any of the transactions contemplated hereby to federal court has not been waived. Each of the undersigned agrees that the venue provided above is the most convenient forum for both parties. Each of the undersigned waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

**[SIGNATURE PAGES TO FOLLOW]**



[SIGNATURE PAGE 1 OF 3]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date, and declare under penalty of perjury that they have examined the foregoing, and, to the best of their knowledge and belief, it is true, correct and complete.

INVESTOR LIMITED PARTNERS:

**PNC MULTIFAMILY CAPITAL INSTITUTIONAL  
FUND XXXVI LIMITED PARTNERSHIP,**  
a Delaware limited partnership

By: **PNC MultiFamily Capital Fund XXXVI, Inc.,**  
its general partner

By: \_\_\_\_\_  
Ashlie M. Johnson,  
Senior Vice President

**COLUMBIA HOUSING SLP CORPORATION,**  
an Oregon corporation

By: \_\_\_\_\_  
Ashlie M. Johnson,  
Senior Vice President

[SIGNATURE PAGE 2 OF 3]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date, and declare under penalty of perjury that they have examined the foregoing, and, to the best of their knowledge and belief, it is true, correct and complete.

PARTNERSHIP:

**LA VISTA HOUSING ASSOCIATES, LTD.**, a Texas limited partnership

By: **La Vista Housing Associates GP, LLC**, its general partner

By: \_\_\_\_\_, Manager

GENERAL PARTNER:

**LA VISTA HOUSING ASSOCIATES GP, LLC**, a Texas limited liability company

By: \_\_\_\_\_, Manager

INCOMING LIMITED PARTNER:

\_\_\_\_\_, a Texas limited liability corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE 3 OF 3]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date, and declare under penalty of perjury that they have examined the foregoing, and, to the best of their knowledge and belief, it is true, correct and complete.

CLASS B LIMITED PARTNER:

**MADHOUSE DEVELOPMENT SERVICES, INC.,** a  
Texas corporation

By: \_\_\_\_\_  
Enrique Flores, President

GUARANTOR:

**MADHOUSE DEVELOPMENT SERVICES, INC.,** a  
Texas corporation

By: \_\_\_\_\_  
Enrique Flores, President

\_\_\_\_\_  
**ENRIQUE FLORES,** Individually

<b>Summary report:</b> <b>Litera Compare for Word 11.3.1.3 Document comparison done on</b> <b>7/17/2023 10:08:44 AM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original filename:</b> La Vista - AAA (04).doc	
<b>Modified filename:</b> La Vista - AAA (05).doc	
<b>Changes:</b>	
Add	16
Delete	18
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>34</b>



## NOTICE OF REGULAR MEETING

The Board of Commissioners of the McAllen Housing Facility Corporation will meet in a Regular Session scheduled for 11:00 a.m. (concurrently with MHA & MHDC Regular Board Meeting).

Wednesday, July 26, 2023

Family Development Center | 2501 W. Maple Ave. | McAllen, TX 78501

or

via ZOOM Teleconference

<https://us06web.zoom.us/j/84683593022?pwd=YXpOZHdVbzltM3JPeVNHcjIqVTN1dz09>

Meeting ID: 846 8359 3022

United states: +1 346 248 7799

Passcode: 444191

For the following purpose:

### AGENDA

1. Call Meeting to Order
2. Action Items:
  - a) Consideration and Possible Action to Approve the Meeting Minutes of the Regular Board Meeting of June 28, 2023. **Pg. 2-3**
  - b) Consideration and Possible Action to Approve Budget Amendment for FY 23-24, Accounts Receivable Write-Off. **Pg. 4**
  - c) Consideration and Possible Action to Approve La Vista Apartments – Assignment of Partnership interest to MHFC from PNC Bank. **Pg. 5-23**
3. Adjournment

Executive Session: If during the course of the meeting any discussion of any item on the agenda should be held in executive or closed session, the Board of Directors shall convene in such executive session or closed session in accordance with the Texas Open Meeting Act, Texas Government Code Section 551.071 to 551.075. Before any such session is convened, the presiding officer shall publicly identify the section or sections of the act authorizing the executive session. All final votes, actions, decisions shall be taken in open session.

I certify that this Notice of Regular Meeting was posted on **Friday, July 21, 2023, at or before 12:00 p.m.**, at the Main Office of the McAllen Housing Facility Corporation and Municipal Government Offices, 1300 Houston Ave., McAllen, TX 78501 in compliance with Chapter 551, Government Code.



The McAllen Housing Facility Corporation

Rodolfo "Rudy" Ramirez, Executive Director

The McAllen Housing Facility Corporation is committed to compliance with the American Act (ADA). This meeting site/video conference is accessible to disabled persons. Reasonable accommodation and equal access to communications will be provided to those who provide notice to the Executive Director at (956) 686-3951 at least 48 hours in advance of meeting.

## MINUTES OF THE MEETING

### OF THE MCALLEN HOUSING FACILITY CORPORATION REGULAR BOARD MEETING

Wednesday, June 28, 2023

CALL TO ORDER AND ROLL CALL - The regular meeting of the Board of Commissioner of the McAllen Housing Facility Corporation was held Wednesday, June 28, 2023, held via Zoom teleconference. Chair Ronnie Cruz called the meeting to order at 1:08 p.m. Present and attendance for roll call were:

Present: Chair Ronnie Cruz  
Vice Chair Elva M. Cerda  
Commissioner Eliseo "Tito" Salinas  
Commissioner Marc David Garcia  
Resident Commissioner Kristel Garcia  
Assistant City Attorney Austin Stevenson

Absent:

Staff: Executive Director Rodolfo "Rudy" Ramirez  
Deputy Director Daniel Delgado  
Finance Director Jose Garcia  
Administrative Assistant Adriana Rosas

1. Call Meeting to Order – 1:08 p.m.

2. Action Items:

- a) Consideration and Possible Action to Approve Meeting Minutes of the Regular Board Meeting of May 23, 2023, and the Meeting Minutes of the Special Board. **Chair Ronnie Cruz entertained a motion to approve meeting minutes. Commissioner Eliseo "Tito" Salinas made motion to approve; Resident Commissioner Kristel Garcia second the motion. Motion carried unanimously.**
- b) Consideration and Possible Action to Approve Operating Budget for the McAllen Housing Facility Corporation (MHFC) Orchid Place Apts., Sunset Garden Apts., and Villas at Beaumont Apts. for FY 2023-2023. **Staff recommend approval of the presented budget. Chair Ronnie Cruz entertained a motion to approve Operating Budget for FY 23-24. Vice Chair Elva M. Cerda made motion to approve; Commissioner Eliseo "Tito" Salinas second the motion. Motion carried unanimously.**
- c) Consideration and Possible Action to Approve Resolution MHFC 2023 – 02; A Resolution of the McAllen Housing Facility Corporation Approving the Accounts Receivable Write-Off for Orchid Place Apts. for year ending June 30, 2023. **Deputy Director stated accounts are delinquent and without activity. Discussion ensued and the board recommends staff proceed with eviction process when needed, continue to collect on accounts via a collection agency, and delinquent accounts should be reported to credit bureaus. Chair**

**Ronnie Cruz entertained a motion to approve Resolution MHFC 2023-02. Vice Chair Elva M. Cerda made motion to approve; Commissioner Eliseo “Tito” Salinas second the motion. Motion carried unanimously.**

- Vice Chair Elva M. Cerda exits meeting at 1:29PM

3. Non-Action Item:

4. Adjournment – **Chair Ronnie Cruz entertained a motion to adjourn the meeting. Commissioner Marc David Garcia made motion; Commissioner Eliseo “Tito” Salinas second the motion. Motion carried unanimously. Meeting adjourned at 1:30 p.m.**

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Rodolfo “Rudy” Ramirez, Executive Director



MCALLEN HOUSING AUTHORITY  
BUDGET AMENEDMENT - Write-offs  
FISCAL YEAR 2022-2023

PHA	Approved Budget 2022- 2023	Proposed Budget Amendment 2022-2023	Amended Budget 2022- 2023	% Change	*Actual Write-off 7/1/2022- 6/30/2023	Budget Write-off 7/1/2022- 6/30/2023	Current Variance	Proforma Variance 7/1/2022- 6/30/2023
McAllen Housing Development Corp - Vine Terrace Apartments	-	264	264	100%	264.00	-	(264.00)	-
McAllen Housing Facility Corp - Orchid Place Apartments	-	6,469	6,469	100%	6,469	-	(6,469)	-
Total	\$ -	\$ 6,733	\$ 6,733	100%	\$ 6,733	\$ -	\$ (6,733)	\$ -

Effect on Net Income (Loss) Before HAP and Non- Reoccurring Income	Approved Budget 2022- 2023	Proposed Budget Amendment 2022-2023	Amended Budget 2022- 2023	% Change	*Actual Earnings 2022-2023	Budget Earnings 2022-2023	Current Budget Variance	Proforma Variance 7/1/2022- 6/30/2023
Vine Terrace Apartments	\$ 52,401	\$ (264)	\$ 52,137	-0.50%	\$ (6,643)	\$ 52,401	\$ (59,043)	\$ (58,779)
Orchid Place Apartments	\$ 147,269	\$ (6,469)	\$ 140,800	-4.39%	\$ 91,986	\$ 147,269	\$ (55,283)	\$ (48,814)

## Executive Summary

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**Item:**

La Vista Apartments – Reassignment of Partnership Structure

**Discussion:**

La Vista Apartments, a 48-unit multi-family LIHTC development has completed the initial 15-year compliance period. The partnership (La Vista Housing Associates, Ltd.) is now interested in a restructure which, involves a reassignment of the investment limited partner interest currently held by PNC Bank. The McAllen Housing Facility Corporation (MHFC) as an affiliate of the McAllen Housing Authority is our preferred entity to replace PNC due to MHFC's current role as sole member of the General Partner at La Vista.

PNC would exit from the partnership and the McAllen Housing Facility Corporation (MHFC) would replace PNC. This transaction involves a fee of **\$10,000.00** payable to PNC. The attached assignment and assumptions agreement contains full details of this transaction and has a closing date of **July 31, 2023**.

**Recommendation:**

Staff recommends approval.

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## ASSIGNMENT AND ASSUMPTION AGREEMENT

**THIS ASSIGNMENT AND ASSUMPTION AGREEMENT** (the “Agreement”) is entered into effective as of the Effective Date (as defined below) by and among **LA VISTA HOUSING ASSOCIATES, LTD.**, a Texas limited partnership (the “Partnership”), **LA VISTA HOUSING ASSOCIATES GP, LLC**, a Texas limited liability company (the “General Partner”), **PNC MULTIFAMILY CAPITAL INSTITUTIONAL FUND XXXVI LIMITED PARTNERSHIP**, a Delaware limited partnership (the “Investment Limited Partner”), **COLUMBIA HOUSING SLP CORPORATION**, an Oregon corporation (the “Special Limited Partner” and together with the Investment Limited Partner, the “Investor Limited Partners”), [REDACTED], a Texas limited liability company (the “Incoming Limited Partner”), **MADHOUSE DEVELOPMENT SERVICES, INC.**, a Texas corporation (the “Class B Limited Partner” and together with **ENRIQUE FLORES**, individually (the “Guarantors”).

### RECITALS

A. The Partnership is governed by its Amended and Restated Agreement of Limited Partnership of the Partnership dated as of November 1, 2007, as may have been amended from time to time prior to the date hereof (the “Partnership Agreement”), pursuant to which the General Partner is the sole general partner of the Partnership and the Investor Limited Partners and the Class B Limited Partner are each of the limited partners of the Partnership.

B. The Partnership was formed to construct, own and operate that certain 48-unit low-income housing project located in the City of McAllen, Hidalgo County, Texas (the “Project”). The Project is encumbered by a first mortgage loan from the PNC Bank, National Association (the “Lender”) with an outstanding principal and accrued interest indebtedness of approximately \$894,597 (the “Mortgage Indebtedness”).

C. The Investor Limited Partners have been allocated by the Partnership certain federal income tax benefits, including, without limitation, low-income housing tax credits (the “Tax Credits”) under Section 42 of the Internal Revenue Code (the “Code”).

D. The Investor Limited Partners and the Class B Limited Partner intend to transfer and convey all of their respective right, title and interest in and to the Partnership as limited partners thereto to the Incoming Limited Partner and the Incoming Limited Partner intends to acquire the ILP Partnership Interests (defined below) and the Class B Partnership Interest (defined below). The parties hereto would not enter into this Agreement but for the representations, warranties and covenants of the other parties as set forth herein.

E. The Guarantors have guaranteed certain obligations to the Investor Limited Partners pursuant to that certain Agreement of Guaranty dated as of November 1, 2007 (the “Guaranty Agreement”).

**NOW THEREFORE**, in consideration of the foregoing recitals, the undertaking of the parties set forth herein, and other consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

## AGREEMENT

### 1. Assignment and Assumption.

1.1 Investor Limited Partner Partnership Interests. Except as otherwise provided in this Agreement, the Investor Limited Partners hereby sell, transfer, convey and assign to the Incoming Limited Partner, effective upon satisfaction of the conditions set forth in Section 4, all of their right, title and interest in the Partnership and all of their rights under the Partnership Agreement, including without limitation, (i) all rights of the Investor Limited Partners to receive monies, fees, distributions and other property or assets due and/or to become due to the Investor Limited Partners under the Partnership Agreement and all other Project Documents, and (ii) all rights of the Investor Limited Partners to compel performance, vote or otherwise exercise all remedies under the Partnership Agreement and other Project Documents (collectively, the “ILP Partnership Interests”). The Incoming Limited Partner hereby acquires the ILP Partnership Interests effective as of the Effective Date and hereby assumes all obligations of the Investor Limited Partners under the Partnership Agreement and related documents from and after the Effective Date.

1.2 Class B Partnership Interest. Except as otherwise provided in this Agreement, the Class B Limited Partner hereby sells, transfers, conveys and assigns to the Incoming Limited Partner, effective upon satisfaction of the conditions set forth in Section 4, all of its right, title and interest in the Partnership and all of its rights under the Partnership Agreement, including without limitation, (i) all rights of the Class B Limited Partner to receive monies, fees, distributions and other property or assets due and/or to become due to the Class B Limited Partner under the Partnership Agreement and all other Project Documents, and (ii) all rights of the Class B Limited Partner to compel performance, vote or otherwise exercise all remedies under the Partnership Agreement and other Project Documents (collectively, the “Class B Partnership Interest”). The Incoming Limited Partner hereby acquires the Class B Partnership Interests effective as of the Effective Date and hereby assumes all obligations of the Class B Limited Partner under the Partnership Agreement and related documents from and after the Effective Date.

2. Price and Payment. No later than the Effective Date, the Incoming Limited Partner shall pay or cause to be paid to the Investor Limited Partners the amount of \$10,000 and shall pay or cause to be paid to the Class B Limited Partner the amount of \$ 1 (the “Purchase Price”) in accordance with instructions to be provided by the Investor Limited Partners and the Class B Limited Partner. The payment of the Purchase Price, together with other agreements and covenants of the Incoming Limited Partner, General Partner and the Partnership set forth herein, including but not limited to the agreement to indemnify and hold the Investor Limited Partners and Class B Limited Partner harmless from the Mortgage Indebtedness and all other liabilities of the Partnership following the Effective Date, shall constitute payment in full for the ILP Partnership Interests and Class B Partnership Interest.

3. Withdrawal and Admittance. The Investor Limited Partners and Class B Limited Partner hereby withdraw from the Partnership and the Incoming Limited Partner is hereby admitted into the Partnership effective on the Effective Date. Except as provided herein, from and after the Effective

Date neither the Investor Limited Partners, the Class B Limited Partner nor any of their respective affiliates, members, directors, officers, employees, designees assignees or beneficiaries shall have any right to any distributions, allocations or other payments or benefits from the Partnership or its partners nor shall they have the right to the return of any capital contributions or advances. The execution hereof shall constitute the consent of the Partnership and each of the Partners to the assignment of the ILP Partnership Interests and the Class B Partnership Interest to the Incoming Limited Partner, the admittance of the Incoming Limited Partner and the withdrawal by the Investor Limited Partners and Class B Limited Partner.

4. **Effective Date; Closing Conditions.** Subject to the conditions set forth in this Section 4 and each of the other conditions set forth in this Agreement, the Effective Date shall be effective as of ~~June 30~~ July 31, 2023 (the “Effective Date”). Notwithstanding the signature of each of the parties below, this Agreement shall not be effective or enforceable until the latest of: (a) receipt by the Investor Limited Partners and the Class B Limited Partner of their respective Purchase Price amounts; and (b) receipt by the Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner, Guarantors and the Investor Limited Partners of PDF copies of executed signatures by each of the of the parties to this Agreement. In the event that the above conditions to closing do not occur for any reason on or before ~~June 30~~ July 31, 2023, this Agreement shall be null and void and nothing contained herein shall constitute a waiver or defense of any duty or obligation by any party under the Partnership Agreement or under any of the Project Documents.

5. **Mutual Release and Discharge.** Except as otherwise provided herein, each of the parties to this Agreement hereby release and forever discharge the other parties in this Agreement and each of their respective past and future partners (general or limited), shareholders, affiliates, members, directors, officers, employees, designees, assignees and beneficiaries from any and all claims, demands, damages, losses, liabilities, actions, causes of action, or suits of any kind or nature whatsoever, arising from or relating in any way to (i) the Partnership and the ownership, operation and activities thereof of the Partnership and the Project, (ii) the Partnership Agreement and each of the other documents executed in connection with the Partnership Agreement (other than the survival of the Recapture Provisions of the Partnership Agreement described in Section 9 of this Agreement), (iii) any advances, capital contributions or loans (not including the Mortgage Indebtedness) made to the Partnership; provided, however, that each party remains responsible for any claims, demands, actions, losses, or damages (x) accruing prior to the Effective Date and (y) arising or resulting from the terms and conditions of this Agreement. Each party represents that it has not assigned or transferred any claim that is the subject of the release in the preceding sentence.

The Guaranty Agreement shall remain in effect with respect to (a) each of the Guaranteed Obligations (as defined in the Guaranty Agreement) arising or events occurring prior to the Effective Date and (b) each of the Recapture Provisions described in Section 9 of this Agreement, and shall not be terminated or extinguished regardless of the date on which such Guaranteed Obligation is discovered.

6. **Representations, Warranties and Covenants of the Partnership, General Partner, and Incoming Limited Partner; Indemnification.**

6.1 **Representations, Warranties and Covenants.** The Partnership, General Partner and Incoming Limited Partner, where indicated, each represent, warrant and covenant (each as to itself

and not as to any other party) to the Investor Limited Partners and the Class B Limited Partner as follows:

6.1.1 The Partnership, General Partner and Incoming Limited Partner are each duly organized, validly existing and in good standing under the laws of the State of Texas and each of them have the right, power, legal capacity and authority to execute and enter into this Agreement and to execute all other documents and perform all other acts as may be necessary in connection with the performance of this Agreement.

6.1.2 The execution, delivery and performance of this Agreement does not and will not contravene or conflict with any law, order, rule, regulation, writ, injunction or decree now in effect of any government, governmental instrumentality or court or tribunal having jurisdiction over it/him, or any contractual restriction binding on or affecting it/him or any facts or circumstances of any kind or nature whatsoever of which it/he is aware that could in any way impair or prevent it/him from performing its/his obligations under this Agreement.

6.1.3 It has made such investigation of the facts pertaining to this Agreement, and all of the matters pertaining thereto, as it deems necessary and has received independent tax and legal advice from attorneys of its choice with respect to the advisability of executing this Agreement.

6.1.4 Except as expressly provided herein, no person has made any statement or representation to it regarding any fact relied upon by it in entering into this Agreement and it specifically does not rely upon any statement, representation, or promise of any other person in executing this Agreement.

6.1.5 On or before the earlier of February 28, 2024, the General Partner shall cause to be prepared and delivered to the Investor Limited Partners and Class B Limited Partner, at no expense to the Investor Limited Partners or Class B Limited Partner, the Partnership's final federal, state and local tax returns for 2023 and all accompanying schedules and account work papers, which must include the Schedule K-1 of the Investor Limited Partners and Class B Limited Partner. The General Partner shall not file such tax returns until the Investor Limited Partners shall have approved the specific documents for filing. In addition, and not in limitation of Investor Limited Partners' remedies under this Agreement, if the General Partner shall fail to provide the requested documents or information to the Investor Limited Partners within the required time hereunder and the General Partner has not cured such default within five (5) business days after notice thereof by the Investor Limited Partners or an affiliate, then the General Partner shall pay to the Investor Limited Partners upon written demand the amount of One Hundred Dollars (\$100) per day until all of the requested documents or information is delivered to the Investor Limited Partners.

6.1.6 Without the prior written consent of the Investor Limited Partners (not to be unreasonably withheld, conditioned or delayed), the Partnership will not file (or cause or permit any other person or entity to file) any amended tax return of the Partnership relating to any period prior to the Effective Date.

6.1.7 If required under the Partnership Agreement, the General Partner shall cause to be prepared and delivered to the Investor Limited Partners, at no expense to the Investor Limited Partners, an audited financial statement of the Partnership for fiscal year 2023, prepared by the

Partnership's accountants, in full compliance with GAAP and in accordance with the terms of and during the timeframe required under the Partnership Agreement.

6.1.8 The Incoming Limited Partner is acquiring the ILP Partnership Interests and the Class B Partnership Interest for its own account, for investment, and not with a view toward the resale or distribution thereof in violation of applicable securities laws.

6.1.9 The Incoming Limited Partner understands that the ILP Partnership Interests and the Class B Partnership Interest is not registered under the Securities Act of 1933, as amended ("Securities Act"), or any applicable state securities laws, and may not be resold unless subsequently registered under the Securities Act and such other laws unless an exemption from such registration is available. It understands and agrees that, subject to the terms and conditions contained in the Partnership Agreement, it may only pledge, transfer, convey or otherwise dispose of any of the ILP Partnership Interests or Class B Partnership Interest in compliance with the Securities Act and applicable state securities laws as then in effect.

6.1.10 The Incoming Limited Partner has the ability to bear the economic risks of the investment in the ILP Partnership Interests and the Class B Partnership Interest for an indefinite period of time. It further acknowledges that it has reviewed the Partnership Agreement and has had the opportunity to ask questions of, and receive answers from the General Partner with respect to the ILP Partnership Interests and the Class B Partnership Interest and the business and financial condition of the Partnership and to obtain additional information necessary to verify such information. Except as expressly provided herein, neither the Investor Limited Partners, the Class B Limited Partner nor any of their partners, employees, officers or agents have made any statements or representations to the Incoming Limited Partner or any of its employees, members, partners, agents or affiliates, relied upon by the Incoming Limited Partner in executing this Agreement.

6.1.11 The Incoming Limited Partner has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the ILP Partnership Interests and the Class B Partnership Interest. It further represents that it is an "accredited investor" as such term is defined in Rule 501 under the Securities Act and is a "qualified purchaser" as such term is defined in Section 2(a)(51) of the Investment Company Act.

6.1.12 No state, county, city or other local transfer tax or similar tax will arise, accrue or be payable by any partner (including the Investor Limited Partners) of the Partnership or the Partnership as a result of any of the transactions contemplated by this Agreement, including but not limited to the sale of the ILP Partnership Interests and the Class B Partnership Interest to the Incoming Limited Partner.

6.1.13 The Incoming Limited Partner is aware of and is acquiring the ILP Partnership Interest and Class B Partnership Interest with full knowledge of each of the regulatory restrictions that encumber the Project, including but not limited to those imposed by Section 42 of the Code, and the Project shall continue to satisfy the income limitations and rent restrictions imposed by Section 42 of the Code, the Texas Department of Housing and Community Affairs (the "Tax Credit Agency") and all applicable regulatory agreements.



6.1.14 Notwithstanding anything contained in this Agreement to the contrary, the parties hereto acknowledge and agree that prior to the Effective Date, the Partnership, General Partner and/or Incoming Limited Partner must obtain all approvals and/or consents (the “Approvals”), both on their behalf and on behalf of Investor Limited Partners and Class B Limited Partner, that are or may be deemed to be necessary to effectuate the transaction contemplated herein (including any required approval of the Tax Credit Agency, the Lender, the U.S. Department of Housing and Urban Development (“HUD”), and any other lenders or governmental agencies) and the Investor Limited Partners and Class B Limited Partner shall have no liability to the Partnership, General Partner or Incoming Limited Partner for the failure to obtain such Approvals; provided, however, the Investor Limited Partner and Class B Limited Partner shall act in good faith and using commercially reasonable efforts to assist such parties in securing said approvals.

6.1.15 It has no knowledge of any event or circumstance that reasonably could be expected to result in recapture of any of the Tax Credits.

6.1.16 It has no knowledge of any purchase option, right of first refusal or similar agreement pursuant to which any party has the right to acquire all or any part of the Project, the ILP Partnership Interest or the Class B Partnership Interest other than as set forth in that certain Option and Right of First Refusal Agreement dated as of November 1, 2007 (the “Option Agreement”) and the Extended Low-Income Housing Commitment (as defined in the Partnership Agreement).

6.1.17 The Partnership, General Partner and Incoming Limited Partner shall promptly notify the Investor Limited Partners and Class B Limited Partner upon learning of any breach or violation of any provision of any of the provisions of this Section 6 and, as of the Effective Date, it has no knowledge of any existing or threatened IRS audit or inquiry of the Partnership or any other violation of or default under the Partnership Agreement.

6.2 Partnership, General Partner and Incoming Limited Partner Indemnification. The Partnership, General Partner and Incoming Limited Partner shall jointly and severally indemnify, defend and hold harmless the Investor Limited Partners and their past and future partners (general or limited), shareholders, affiliates, members, directors, officers, employees, assignees and beneficiaries (the “PNC Entities”) and the Class B Limited Partner and its past and future partners (general or limited), shareholders, affiliates, members, directors, officers, employees, assignees and beneficiaries (the “Class B Entities”) from and against, and shall upon demand reimburse the PNC Entities and/or Class B Entities for any and all losses, claims, liabilities, damages, injunctive relief, injuries to person, property or natural resources, costs, actions or causes of action, fines, penalties, judgments, taxes, charges, assessments, damages (including consequential damages suffered by a third party claimant), costs and expenses (including reasonable attorneys’ fees and expenses), of every kind and nature whatsoever (collectively, “Damages”), whether direct or indirect, realized, suffered or incurred by or imposed upon the PNC Entities and/or the Class B Entities arising in whole or in part from: (i) the breach of any of its representations, warranties or covenants of Section 6.1; (ii) the Partnership’s or General Partner’s failure to pay and discharge all obligations and liabilities of the Partnership, whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due, or any claim made by any creditor of the Partnership or the General Partner seeking to hold the Investor Limited Partners liable for any amounts owed by the Partnership or the General Partner, including but not limited to any claim that would

require the Investor Limited Partners and/or Class B Limited Partner to repay or return all or any part of their respective Purchase Price; (iii) the development, ownership, operation or activities of the General Partner, Partnership or Project accruing prior to the Effective Date; (iv) any act or failure to act of the General Partner, Incoming Limited Partner, or the Partnership with respect to the Project or Partnership occurring prior to the Effective Date; (v) the failure of the General Partner or Partnership to pay any state, city, county or other local transfer tax or similar tax that arises as a result of any of the transactions contemplated by this Agreement; and (vi) the failure to obtain the Approvals.

**7. Representations, Warranties and Covenants of the Class B Limited Partner and the Guarantors; Indemnification.**

7.1 Representations, Warranties and Covenants. The Class B Limited Partner and the Guarantors each represent, warrant and covenant (each as to itself and not as to any other party) to the Investor Limited Partners and the General Partner as follows:

7.1.1 The Class B Limited Partner is duly organized, validly existing and in good standing under the laws of the State of Texas and the Class B Limited Partner and the Guarantors have the right, power, legal capacity and authority to execute and enter into this Agreement and to execute all other documents and perform all other acts as may be necessary in connection with the performance of this Agreement.

7.1.2 The execution, delivery and performance of this Agreement does not and will not contravene or conflict with any law, order, rule, regulation, writ, injunction or decree now in effect of any government, governmental instrumentality or court or tribunal having jurisdiction over it/him, or any contractual restriction binding on or affecting it/him or any facts or circumstances of any kind or nature whatsoever of which it/he is aware that could in any way impair or prevent it/him from performing its/his obligations under this Agreement.

7.1.3 It/He has made such investigation of the facts pertaining to this Agreement, and all of the matters pertaining thereto, as it/he deems necessary and has received independent tax and legal advice from attorneys of its/his choice with respect to the advisability of executing this Agreement.

7.1.4 Except as expressly provided herein, no person has made any statement or representation to it/him regarding any fact relied upon by it/him in entering into this Agreement and it/he specifically does not rely upon any statement, representation, or promise of any other person in executing this Agreement.

7.1.5 It/he has no knowledge of any event or circumstance that reasonably could be expected to result in recapture of any of the Tax Credits.

7.1.6 It owns its Class B Partnership Interest free and clear of all mortgages, pledges, liens, security interests, claims, covenants or any other restrictions (other than restrictions that may be imposed by the Tax Credit Agency, the Option Agreement, the Extended Low-Income Housing

Commitment, any secured or mortgaged loan indebtedness encumbering the Project and any other recorded regulatory or similar agreements)

7.1.7 The Class B Limited Partner shall promptly notify the Investor Limited Partners and the General Partner of any breach or violation of any of the provisions of this Section 7.

7.2 Class B Limited Partner and Guarantor Indemnification. The Class B Limited Partner and the Guarantors shall jointly and severally indemnify, defend and hold harmless the PNC Entities and the Partnership, General Partner, Incoming Limited Partner and the Class B Limited Partner and their respective past and future partners (general or limited), shareholders, affiliates, members, directors, officers, employees, assignees and beneficiaries (the “Continuing Partner Entities”) from and against, and shall upon demand reimburse the PNC Entities and/or the Continuing Partner Entities for any and all Damages, whether direct or indirect, realized, suffered or incurred by or imposed upon the PNC Entities and/or the Continuing Partner Entities arising in whole or in part from the breach of any of the Class B Limited Partner or Guarantor representations, warranties or covenants of Section 7.1.

8. **Representations, Warranties and Covenants of the Investor Limited Partners; Indemnification.**

8.1 Representations, Warranties and Covenants. The Investor Limited Partners represent, warrant and covenant to the Partnership, General Partner, Incoming Limited Partner and the Class B Limited Partner as follows:

8.1.1 The Investment Limited Partner is duly organized, validly existing and in good standing under the laws of the State of Delaware; the Special Limited Partner is duly organized, validly existing and in good standing under the laws of the State of Oregon; and each has the right, power, legal capacity and authority to execute and enter into this Agreement, having received all consents from their respective affiliates needed in connection with the transaction contemplated by this Agreement, and to execute all other documents and perform all other acts as may be necessary in connection with the performance of this Agreement, and each has the full power, capacity and authority, and the unrestricted right to convey, transfer and assign the ILP Partnership Interests pursuant hereto, other than restrictions that may be imposed by the Tax Credit Agency, the Option Agreement, the Extended Low-Income Housing Commitment, any secured or mortgaged loan indebtedness encumbering the Project and any other recorded regulatory or similar agreements.

8.1.2 The execution, delivery and performance of this Agreement by the Investor Limited Partners does not and will not contravene or conflict with any law, order, rule, regulation, writ, injunction or decree now in effect of any government, governmental instrumentality or court or tribunal having jurisdiction over them, or any contractual restriction binding on or affecting them or any facts or circumstances of any kind or nature whatsoever of which they are aware that could in any way impair or prevent them from performing their obligations under this Agreement.

8.1.3 Each owns its ILP Partnership Interests free and clear of all mortgages, pledges, liens, security interests, claims, covenants or any other restrictions (other than restrictions that may be imposed by the Tax Credit Agency, the Option Agreement, the Extended Low-Income Housing

Commitment, any secured or mortgaged loan indebtedness encumbering the Project and any other recorded regulatory or similar agreements).

8.1.4 The Investor Limited Partners shall promptly notify the Incoming Limited Partner and Class B Limited Partner of any breach or violation of any of the provisions of this Section 8.

8.2 Indemnification. The Investor Limited Partners shall indemnify, defend and hold harmless the Continuing Partner Entities and the Class B Entities from and against, and shall upon demand reimburse such parties for any and all Damages, whether direct or indirect, realized, suffered or incurred by or imposed upon any of the Continuing Partner Entities arising in whole or in part from the breach of any of the representations, warranties or covenants of this Section 8.

9. **Continuing Tax Credit Recapture Liability.** Notwithstanding (a) the execution of this Agreement, (b) the withdrawal of the Investor Limited Partners and the Class B Limited Partner from the Partnership, and/or (c) any future dissolution or termination of the Partnership, the provisions of Section 3.5 of the Partnership Agreement and any ancillary or related provisions of the Partnership Agreement that may be necessary to interpret or enforce the provisions of Section 3.5 (collectively, the “Recapture Provisions”) shall survive and remain fully enforceable by the Investor Limited Partners (their successors, assigns, partners, members and/or shareholders) against the General Partner and the Guarantors (as guaranteed under the Guaranty Agreement) and each of their successors and assigns for so long as the IRS may be legally permitted to assess tax liability against the Investor Limited Partners (their successors, assigns, partners, members and/or shareholders) in connection with any disallowance or recapture of any Tax Credits; provided, however, that in lieu of the General Partner’s obligation to make a Capital Contribution to the Partnership in the amount of the entire Adjustment Amount, as required under Section 3.5(d)(1) of the Partnership Agreement, the General Partner and Guarantors shall be jointly and severally liable to pay such Adjustment Amount directly to the Investor Limited Partners from their own funds as a guaranteed payment, without right of reimbursement or capital account credit. The Recapture Provisions, as amended hereby, are hereby incorporated as a part of this Agreement. The General Partner and the Guarantors hereto acknowledge and agree that the Recapture Provision obligations include the obligation of the General Partner and Guarantors to pay any Adjustment Amount caused by the failure of the Partnership to pay any Deferred Developer Fee.

## 10. **Reports and Notices; Record Retention and Review.**

10.1 Reports and Notices. The General Partner shall promptly notify the Investor Limited Partners in writing of any event or circumstance which might reasonably result in a Tax Credit recapture and, without limitation, shall promptly deliver to the Investor Limited Partners copies of: (i) all notices, reports, inquiries, correspondence and other documents delivered to, or received from the Tax Credit Agency with respect to matters of Tax Credit compliance; and (ii) any letter or notice of audit, inquiry or investigation from the IRS or other regulatory or governmental body which pertains to matters of Tax Credit compliance, and copies of all subsequent correspondence with respect to such audit, inquiry or investigation.

10.2 Record Retention and Review. The Partnership, and in the event of the dissolution of the Partnership, the General Partner, shall retain all Tax Credit compliance records as may

be required by the Tax Credit Agency and Section 42 of the Code for the longer of the periods required by the Tax Credit Agency and the Code. Specifically and without limitation, (i) the records described in Treasury Regulation 1.42-5(b)(1) shall be retained for at least six (6) years after the due date (with extensions) for filing the federal income tax return for the year to which such records relate, and (ii) the records for the first year of the Credit Period shall be retained for at least six (6) years beyond the due date (with extensions) for filing the federal income tax return for the last year of the Compliance Period for each Project building. Upon reasonable notice to the Partnership and General Partner, the Investor Limited Partners, at their sole cost and expense, shall have the right to review and obtain copies of all such records, together with any other books and records relating to the operation of the Partnership or the Project prior to the Effective Date, which are in the possession or control of the Partnership or General Partner.

11. **Right of First Negotiation.** It is the intent of the parties hereto that if the Partnership, General Partner, Incoming Limited Partner, or any of their respective affiliates or designees (the “Obligated Parties”) receive from the Tax Credit Agency a new reservation of low income housing tax credits with respect to the Project (the “Resyndicated Project”) then the Obligated Parties shall provide written notice of such Resyndicated Project to the PNC Entities or their designee and the same shall have the right to negotiate to acquire a majority limited partner (or member) interest (an “Investor Interest”) in the entity that will own the Resyndicated Project upon then market terms and conditions. The Obligated Parties hereby grant the PNC Entities or their designee the exclusive right of first negotiation (but not the obligation) to acquire the Investor Interest of the Resyndicated Project. The Obligated Parties agree to work exclusively in good faith with PNC Entities to finalize terms and shall not solicit other offers for this investment until such time as PNC Entities shall have declined to make such offer or the parties, each in their reasonable discretion, are not able to reach an agreement on mutually agreeable terms and either party, in its sole discretion, terminates negotiations. The PNC Entities shall have 60 days from receipt of information sufficient to analyze the investment opportunity and to provide such offer to the Obligated Parties or decline to make an offer. If the PNC Entities declines to make such offer, the exclusivity arrangement will be terminated. Notwithstanding anything to the contrary contained in this paragraph, the parties hereto acknowledge and agree that the Obligated Parties shall have no obligation or duty to seek out a new allocation of low income housing tax credits with respect to the Project and this paragraph shall be applicable only if, by their own choice, the Obligated Parties seek out and receive a new allocation of tax credits. Further, the parties hereto acknowledge and agree that any rights granted to the PNC entities under this Section 11 shall terminate upon the fifth anniversary of the end of the Compliance Period.

12. **Miscellaneous.**

12.1 **Costs and Attorney Fees.** The Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner and Guarantors (each as to itself and not as to any other party) agree to reimburse the Investor Limited Partners for all reasonable out of pocket costs and expenses, including attorney fees, which the Investor Limited Partners hereunder may incur (a) in the collection of any amounts owing under this Agreement, and/or (b) for the enforcement of this Agreement or any term, agreement, covenant, provision, obligation, or duty arising hereunder. In the event of litigation or other proceeding in connection with this Agreement, the prevailing party shall be entitled, in addition to all other sums and relief, to reasonable attorney fees, out of pocket costs, disbursements, including all such fees, costs, and disbursements incurred both at and in preparation for trial and any appeal or review, said

amount to be set by the courts before which the matter is heard. Except as provided above, each party shall bear its own accounting, attorneys and other fees and costs.

12.2 Notices. All notices, demands or other communications hereunder shall be in writing and shall be deemed to have been given when the same are (i) delivered to a nationally recognized overnight courier service, service prepaid, which requires written acknowledgement of receipt, (ii) when delivered personally and signed by an authorized signatory, in each case, to the parties at the addresses set forth below or at such other addresses as such parties may designate by notice to other parties, or (iii) by email, with confirmation immediately followed by certified or registered mail, postage prepaid, in each case at the applicable addresses set forth below:

If to the

Investor Limited Partners:

PNC MultiFamily Capital Institutional Fund XXXVI LP  
and Columbia Housing SLP Corporation  
c/o PNC Real Estate  
121 SW Morrison, Suite 1300  
Portland, Oregon 97204  
Attention: Ashlie M. Johnson

With a copy to:

Bateman Seidel, P.C.  
Attn: Chris Campbell  
1000 SW Broadway, Suite 1910  
Portland, Oregon 97205

If to the Partnership:

La Vista Housing Associates, Ltd.  
c/o: McAllen  
Housing Authority  
Attn: Executive  
Director  
1200 N. 25<sup>th</sup> Street  
McAllen, Texas 78501

If to the General Partner:

La Vista Housing Associates GP, LLC  
c/o: McAllen  
Housing Authority  
Attn: Executive  
Director  
1200 N. 25<sup>th</sup> Street  
McAllen, Texas 78501

If to the Incoming Limited Partner:

c/o: McAllen Housing Authority



Attn: [REDACTED] Executive  
Director  
1200 N. 25<sup>th</sup> Street  
McAllen, Texas 78501

~~Each with a copy to:~~

Attn: [REDACTED]

If to the Guarantors  
And Class B Limited Partner:

Henry Flores  
and Madhouse Development Services, Inc.  
8500 Shoal Creek Blvd.  
Building 4, Suite 208  
Austin, TX 78757

With a copy to:

Locke Lord LLP  
Attn: Cynthia L. Bast  
600 Congress Avenue, Suite 2200  
Austin, TX 78701

12.3 Entire Agreement. This Agreement constitutes the entire agreement among the parties and supersedes any prior agreement or understanding among them respecting the subject matter of this Agreement.

12.4 Consents and Approvals. Under any circumstance in which a provision of this Agreement requires or otherwise contemplates the approval, consent, election, requirement or determination of a Investor Limited Partner with respect to any matter, except as otherwise expressly set forth herein, such approval, consent, election, requirement or determination shall be at the sole and absolute discretion of the Investor Limited Partners but shall not be unreasonably withheld, conditioned or delayed, and shall be effective only if given or made in writing, unless otherwise expressly provided to the contrary in this Agreement.

12.5 Headings. All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any article or section.

12.6 Saving Clause. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, neither the remainder of this Agreement, nor the application of such provision to persons or circumstances other than those as to which it is held invalid shall be affected thereby.

12.7 Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular, or plural as the identity of the person or persons may require.



12.8 Binding Agreement. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto, their successors, heirs, legatees, devisees, assigns, legal representatives, and personal representatives, except as otherwise provided herein. Provided, the Partnership, General Partner, Incoming Limited Partner and the Guarantors shall not be permitted to assign any of its obligations or delegate any of its duties under this Agreement without the prior written consent of the Investor Limited Partners, which consent shall not be unreasonably withheld, conditioned or delayed.

12.9 Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto, even though all parties are not signatory to the original or the same counterpart. Any counterpart which has attached to it separate signature pages, which altogether contain the signatures of all parties whose signature thereon are required, shall for all purposes be deemed a fully executed instrument.

12.10 Defined Terms. Terms not otherwise defined in this Agreement shall have the meaning set forth in the Partnership Agreement.

12.11 Additional Documents. The Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner, Guarantors and the Investor Limited Partners, at the Effective Date, or at any time or from time to time thereafter, upon request of either party, shall execute such additional instruments, documents or certificates as any party deems reasonably necessary to convey, assign and transfer the interest to the Incoming Limited Partner hereunder.

12.12 No Broker. The Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner, Guarantors and the Investor Limited Partners (each as to itself and not as to any other party) hereby represent and warrant to the other that it has not dealt with any broker or finder in connection with the transaction contemplated hereby. The Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner, Guarantors and the Investor Limited Partners each hereby agree to indemnify, defend and hold the other harmless from any and all manner of claims, liabilities, loss, damage, attorneys' fees and expenses, incurred by either party and arising out of, or resulting from, any claim by any broker or finder in contravention of its representation and warranty herein contained.

12.13 Time of Essence. All times, wherever specified herein for the performance by the Partnership, General Partner, Incoming Limited Partner, Class B Limited Partner, Guarantors or the Investor Limited Partners of their respective obligations hereunder, are of the essence of this Agreement.

12.14 Electronic or Facsimile Signatures. This Agreement may be executed by the use of electronic or facsimile signatures, and all such signatures shall be deemed to be original signatures for all purposes.

12.15 Relationship of the Parties. The parties shall perform all obligations under this Agreement independently, and nothing contained in this Agreement shall be deemed to create an agency relationship between the Investor Limited Partners and the Class B Limited Partner.

12.16 Governing Law, Jurisdiction and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Each of the undersigned irrevocably (i) agrees that any suit, action or other legal proceeding arising out of this Agreement or any of the

transactions contemplated hereby shall be brought in the courts of either the State of Texas or the Commonwealth of Pennsylvania; (ii) consents to the jurisdiction of each such court in any suit, action, or proceeding; and (iii) waives any objection which he or it may have to the laying of venue of any such suit, action or proceeding in each of such courts. Each of the undersigned expressly agrees that the right to remove any suit, action or other legal proceedings arising out of this Agreement or any of the transactions contemplated hereby to federal court has not been waived. Each of the undersigned agrees that the venue provided above is the most convenient forum for both parties. Each of the undersigned waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Agreement.

**[SIGNATURE PAGES TO FOLLOW]**

[SIGNATURE PAGE 1 OF 3]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date, and declare under penalty of perjury that they have examined the foregoing, and, to the best of their knowledge and belief, it is true, correct and complete.

INVESTOR LIMITED PARTNERS:

**PNC MULTIFAMILY CAPITAL INSTITUTIONAL  
FUND XXXVI LIMITED PARTNERSHIP,**  
a Delaware limited partnership

By: **PNC MultiFamily Capital Fund XXXVI, Inc.,**  
its general partner

By: \_\_\_\_\_  
Ashlie M. Johnson,  
Senior Vice President

**COLUMBIA HOUSING SLP CORPORATION,**  
an Oregon corporation

By: \_\_\_\_\_  
Ashlie M. Johnson,  
Senior Vice President

[SIGNATURE PAGE 2 OF 3]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date, and declare under penalty of perjury that they have examined the foregoing, and, to the best of their knowledge and belief, it is true, correct and complete.

PARTNERSHIP:

**LA VISTA HOUSING ASSOCIATES, LTD.**, a Texas limited partnership

By: **La Vista Housing Associates GP, LLC**, its general partner

By: \_\_\_\_\_, Manager

GENERAL PARTNER:

**LA VISTA HOUSING ASSOCIATES GP, LLC**, a Texas limited liability company

By: \_\_\_\_\_, Manager

INCOMING LIMITED PARTNER:

\_\_\_\_\_, a Texas limited liability corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE 3 OF 3]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Effective Date, and declare under penalty of perjury that they have examined the foregoing, and, to the best of their knowledge and belief, it is true, correct and complete.

CLASS B LIMITED PARTNER:

**MADHOUSE DEVELOPMENT SERVICES, INC.,** a  
Texas corporation

By: \_\_\_\_\_  
Enrique Flores, President

GUARANTOR:

**MADHOUSE DEVELOPMENT SERVICES, INC.,** a  
Texas corporation

By: \_\_\_\_\_  
Enrique Flores, President

\_\_\_\_\_  
**ENRIQUE FLORES,** Individually

<b>Summary report:</b> <b>Litera Compare for Word 11.3.1.3 Document comparison done on</b> <b>7/17/2023 10:08:44 AM</b>	
<b>Style name:</b> Default Style	
<b>Intelligent Table Comparison:</b> Active	
<b>Original filename:</b> La Vista - AAA (04).doc	
<b>Modified filename:</b> La Vista - AAA (05).doc	
<b>Changes:</b>	
Add	16
Delete	18
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>34</b>



## NOTICE OF REGULAR MEETING

The Board of Commissioners of the McAllen Housing Facility Corporation will meet in a Regular Session scheduled for 11:00 a.m. (concurrently with MHA & MHFC Regular Board Meeting).

Wednesday, July 26, 2023

Family Development Center | 2501 W. Maple Ave. | McAllen, TX 78501

or

via ZOOM Teleconference

<https://us06web.zoom.us/j/84683593022?pwd=YXpOZHdVbzltM3JPeVNHcjlqVTN1dz09>

Meeting ID: 846 8359 3022

United states: +1 346 248 7799

Passcode: 444191

For the following purpose:

### AGENDA

1. Call the meeting to Order
2. Action Items:
  - a) Consideration and Possible Action to Approve Meeting Minutes of the Regular Board Meeting of June 28, 2023. **Pg. 2-3**
  - b) Consideration and Possible Action to Approve Budget Amendment for FY 23-24, Accounts Receivable Write-Off. **Pg. 4**
3. Adjournment

Executive Session: If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the Board of Directors shall convene in such executive session or closed session in accordance with the Texas open Meeting Act, Texas Government Code Section 551.071 to 551.075. Before any such in convened, the presiding officer shall publicly identify the section or section of the act authorizing the executive session. All final votes, actions or decisions shall be taken in an open session.

I certify that the Notice of Regular Meeting was posted on **Friday, July 21, 2023, at or before 12:00 p.m.** at the McAllen Housing Development Corporation and Municipal Government Offices., 1300 Houston Ave, McAllen, TX 78501 in compliance with Chapter 551, Government Code.



MCALLEN HOUSING DEVELOPMENT CORPORATION

Rodolfo "Rudy" Ramirez, Executive Director

The McAllen Housing Development Corporation is committed to compliance with the Americans with Disabilities Act (ADA). This meeting site/video conference is accessible to disabled persons. Reasonable accommodation and equal access to communications will be provided to those who provide notice to the Executive Director at (956) 686-3951 at least 48 hours in advance.



**MINUTES OF THE MEETING**  
**OF THE MCALLEN HOUSING DEVELOPMENT CORPORATION REGULAR BOARD MEETING**

**Wednesday, June 28, 2023**

CALL TO ORDER AND ROLL CALL - The regular meeting of the Board of Commissioner of the McAllen Housing Development Corporation was held Wednesday, June 28, 2023, held at the Family Development Center and via Zoom teleconference. Chair Ronnie Cruz called the meeting to order at 1:30 p.m. Present and attendance for roll call were:

Present: Chair Ronnie Cruz  
Commissioner Eliseo "Tito" Salinas  
Commissioner Marc David Garcia  
Resident Commissioner Kristel Garcia  
Assistant City Attorney Austin Stevenson

Absent: Vice Chair Elva M. Cerda

Staff: Executive Director Rodolfo "Rudy" Ramirez  
Deputy Director Daniel Delgado  
Finance Director Jose Garcia  
Administrative Assistant Adriana Rosas

1. Call Meeting to Order – 1:30 p.m.
2. Action Items:
  - a) Consideration and Possible Action to Approve Meeting Minutes of the Regular Board Meeting of May 23, 2023. **Chair Ronnie Cruz entertained a motion to approve Meeting Minutes. Commissioner Eliseo "Tito" Salinas made a motion to approve; Commissioner Marc David Garcia second the motion. Motion carried unanimously.**
  - b) Consideration and Possible Action to Approve Operating Budget for the McAllen Housing Development Corporation (MHFC), Hibiscus Apts., and Vine Terrace Apts. for FY 2023-2024. **Staff recommended approval of the presented budget. Chair Ronnie Cruz entertained a motion to approve Operating Budget for FY23-24. Commissioner Eliseo "Tito" Salinas made a motion to approve; Resident Commissioner Kristel Garcia second the motion. Motion carried unanimously.**
  - c) Consideration and Possible Action to Approve Resolution MHFC 2301 – 01; A Resolution of the McAllen Housing Development Corporation Approving the Accounts Receivable Write-Off for Vine Terrace Apts. for year ending June 30, 2023. **Accounts are delinquent and without activity. The board made the same recommendation as MHFC meeting: staff should proceed with eviction process when needed, continue to collect on accounts via a collection agency, and delinquent accounts should be reported to credit bureaus. Chair Ronnie Cruz entertained a motion to approve Operating Budget for FY23-24. Commissioner Eliseo "Tito" Salinas made a motion to approve; Resident Commissioner Kristel Garcia second the motion. Motion carried unanimously.**

3. Non-Action Items:
4. Adjournment – **Chair Ronnie Cruz entertained a motion to adjourn meeting. Commissioner Eliseo “Tito” Salinas made motion; Commissioner Marc David Garcia second the motion. Motion carried unanimously. Meeting adjourned at 1:32 p.m.**

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Rodolfo “Rudy” Ramirez, Executive Director

MCALLEN HOUSING AUTHORITY  
BUDGET AMENEDMENT - Write-offs  
FISCAL YEAR 2022-2023

PHA	Approved Budget 2022- 2023	Proposed Budget Amendment 2022-2023	Amended Budget 2022- 2023	% Change	*Actual Write-off 7/1/2022- 6/30/2023	Budget Write-off 7/1/2022- 6/30/2023	Current Variance	Proforma Variance 7/1/2022- 6/30/2023
McAllen Housing Development Corp - Vine Terrace Apartments	-	264	264	100%	264.00	-	(264.00)	-
McAllen Housing Facility Corp - Orchid Place Apartments	-	6,469	6,469	100%	6,469	-	(6,469)	-
Total	\$ -	\$ 6,733	\$ 6,733	100%	\$ 6,733	\$ -	\$ (6,733)	\$ -

Effect on Net Income (Loss) Before HAP and Non- Reoccurring Income	Approved Budget 2022- 2023	Proposed Budget Amendment 2022-2023	Amended Budget 2022- 2023	% Change	*Actual Earnings 2022-2023	Budget Earnings 2022-2023	Current Budget Variance	Proforma Variance 7/1/2022- 6/30/2023
Vine Terrace Apartments	\$ 52,401	\$ (264)	\$ 52,137	-0.50%	\$ (6,643)	\$ 52,401	\$ (59,043)	\$ (58,779)
Orchid Place Apartments	\$ 147,269	\$ (6,469)	\$ 140,800	-4.39%	\$ 91,986	\$ 147,269	\$ (55,283)	\$ (48,814)