

**McALLEN HOUSING FINANCE CORPORATION MEETING
JANUARY 29, 1998**

A meeting of the McAllen Housing Finance Corporation was held on Thursday, **January 29, 1998** at 12:00 noon at the Tower Club, Chairman's Room, with the following present:

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|---------------|------------------|--------------------------------|
| | Morgan Talbot | President |
| | Lynda Moore | Vice-President |
| | Bill Meyers | Member |
| | Charles Cardenas | Member |
| | Wilfred Dean | Member |
| Absent: | Carlos I. Garza | Member |
| | Richard Cortez | Member |
| Staff: | Jim Darling | City Attorney |
| | Leticia Vacek | City Secretary |
| Also Present: | Alonzo Cantu | McAllen Affordable Homes, Inc. |

CALL TO ORDER

President Talbot called the meeting to order.

1. APPROVAL OF JUNE 20, 1996 MINUTES

Ms. Moore moved to approve the minutes of June 20, 1996 as submitted. Mr. Cardenas seconded the motion. Motion carried unanimously by those present.

2. RESOLUTION TO APPROVE INVESTMENT POLICY

Ms. Moore moved to approve the Resolution approving the Investment Policy as recommended and that the Treasurer, Jerry Dale, oversee the investments on a regular basis.

3. RESOLUTION TO APPROVE DESIGNATION OF ACCOUNTS WITH TEXAS COMMERCE BANK (1991 BOND REFINANCING) (TREASURER'S REPORT)

Ms. Moore moved to approve the resolution to approve designation of accounts with Texas Commerce Bank. Mr. Cardenas seconded the motion. Motion carried unanimously by those present.

4. REPORT FROM MCALLEN AFFORDABLE HOMES RELATING TO DEVELOPMENT OF A NEW SUBDIVISION

Mr. Cantu thanked the Corporation for the previous loan and reported that the money was well used. He announced that they are now looking at the land (5+ acres) next to the Senior Citizens Center to lay in a 24 lot subdivision. He mentioned that there is still much demand for construction in the north part of town. He requested that any extra monies would be used as a grant or loan to further their goals for construction. At this time, he requested \$120,000.

Mr. Cantu mentioned that they are trying to get the land for free or if he could expedite, would try to get it for \$60,000. Mr. Darling asked if they could consider adding that amount with some payout schedule. Mr. Cantu noted that they are out of lots and that there is still a big demand. Mr. Darling reported on the following monies: \$198,000 with the City; \$100,000 with Affordable Homes and \$60,000 with the trustee.

Mr. Darling stated that the \$60,000 of the \$120,000 requested, may be used to buy out the School District.

Mr. Cantu requested that: 1) The MHFC unrestrict the \$100,000 at this point; and 2) loan our additional monies. Mr. Meyers moved to amend the existing loan agreement with McAllen Affordable Homes, Inc. and that it be authorized to be used for infrastructure. Also, that an additional \$100,000 be authorized from the City's account and that the payout be based on lot closings. Ms. Moore seconded the motion. Motion carried unanimously by those present.

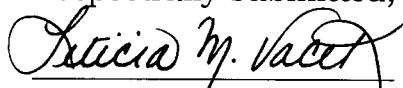
5. DISCUSSION OF 1998 PROJECTS

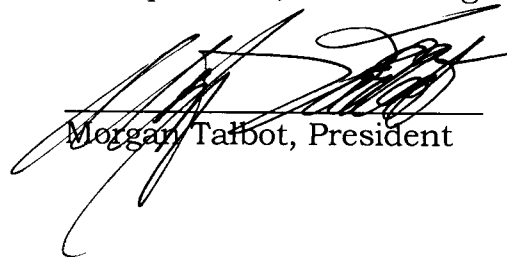
Mr. Darling reviewed the financial reports for the month ending December 31, 1997.

ADJOURNMENT

There being no further business to come before the Corporation, the meeting was unanimously adjourned at 12:46 pm.

Respectfully submitted,


Leticia M. Vacek, CMC
Corp. Secretary


Morgan Talbot, President