

**MARIN COUNTY
COMMUNITY DEVELOPMENT AGENCY**

BRIAN C. CRAWFORD, DIRECTOR

January 6, 2009

Board of Supervisors
County of Marin

SUBJECT: Subordination Agreements
Bolinas Garage Affordable Housing (Bolinas Community Land Trust)
6 Wharf Road, Bolinas

RECOMMENDATIONS: (1) Approve subordination of Community Development Block Grant, HOME Investment Partnerships Program, Housing Trust Fund, and California Housing Finance Agency HELP Program financing to a loan from First Federal Savings and Loan Association of San Rafael, and (2) Authorize the Board President to execute the five attached subordination agreements.

SUMMARY: The County of Marin has provided financing from (a) the Community Development Block Grant Program, (b) the HOME Investment Partnerships Program, (c) the Housing Trust Fund, and (d) a local allocation from the California Housing Finance Agency HELP Program to the Bolinas Community Land Trust for the acquisition and rehabilitation of its Bolinas Garage Affordable Housing project.

The Bolinas Garage Affordable Housing project also received a \$931,500 variable rate loan from First Federal Savings and Loan Association of San Rafael. The loan principal is now approximately \$741,108. First Federal has agreed to reduce the interest rate for its loan by one-half point if the County agrees to subordinate its financing to the revised First Federal loan. The variable interest rate on the First Federal loan is currently calculated as the 11th District Federal Home Loan Bank Cost of Funds Index plus 3.5 percentage points; the new variable rate would be the Index plus 3 percentage points. The First Federal loan principal would be unchanged. It has been the County's practice that financing provided by the County may be subordinated in order to make it possible for non-profit developers to obtain loans on favorable terms from financial institutions.

FISCAL IMPACT: Because the County's contribution to this project is in the form of federal, state, and Housing Trust Fund financing, there is no financial impact on County general funds. The proposed interest rate modification for the First Federal loan would reduce the Bolinas Community Land Trust's monthly payment by approximately \$378, without changing the current priority of the County's financing for the project.

REVIEWED BY:

<input type="checkbox"/>	Auditor Controller	<input checked="" type="checkbox"/>	Not Applicable
<input checked="" type="checkbox"/>	County Counsel	<input type="checkbox"/>	Not Applicable
<input type="checkbox"/>	Human Resources	<input checked="" type="checkbox"/>	Not Applicable

Comment [CDA-RB1]: (standard contract form)

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