

MARIN COUNTY  
COMMUNITY DEVELOPMENT AGENCY  
FEDERAL GRANTS DIVISION

ALEX HINDS, DIRECTOR

April 17, 2007

Board of Supervisors  
County of Marin

**SUBJECT:** Subordination Agreement for  
Community Development Block Grant Program (CDBG) Funding  
Community Action Marin Building  
29 Mary Street, San Rafael

**RECOMMENDATION:** Authorize Board President, subject to County Counsel approval, to execute the attached subordination agreements in order to enable Community Action Marin to obtain a loan from the Union Bank of California.

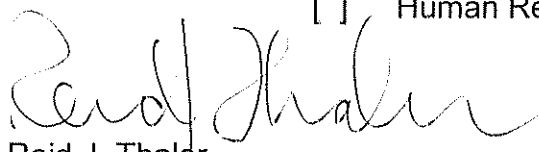
**SUMMARY:** In 1995, the Board of Supervisors provided Community Development Block Grant (CDBG) funding to Community Action Marin, a non profit organization, for the acquisition of an office building located at 29 Mary Street, San Rafael. A standard CDBG "Assignment of Proceeds and Grant of Lien" was recorded on the property to assure repayment of CDBG funds in the event that the property were sold or converted to other uses.

Community Action Marin must refinance the property as the original loan had only a 10 year term. The new mortgage would be for \$375,000, 75% of the estimated loan to value ratio, and would retain the County of Marin in its current second position on the Deed of Trust. The loan will be at a competitive market rate, to be determined when the loan documents are drafted. Additionally, the loan will not have a pre-payment penalty, so that if more favorable loan rates are available in the future, Community Action Marin would be able to take advantage of them.

It has been CDBG policy that our liens may be subordinated in order to make it possible for project sponsors to obtain preferred financing.

**FISCAL IMPACT:** Because the County's contribution to this project was in the form of federal CDBG funds, there is no financial impact on County general funds.

<b>REVIEWED BY:</b>	<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

  
Reid J. Thaler  
Planner