MEMORANDUM

Date: August 20, 2019

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: **Supervisor Miller's Question of August 19, 2019 Addendum Item #6 – Community Development and Neighborhood Conservation – Subordination Agreement**

During consideration of the Subordination Agreement between Pima County and Rocky Mountain Community Reinvestment Corporation regarding the Marist on Cathedral Square, Supervisor Miller asked about the involvement of historic Rio Nuevo.

The Marist on Cathedral Square is a project being developed by FSL Padre Kino Village, LP, (FSL) to provide in-fill rental housing for low- and very low-income seniors utilizing, in part, Affordable Housing General Obligation Bond proceeds. In 2016, Rio Nuevo committed a $1,000,000 loan to serve as gap funding until FSL was able to apply successfully for funding from the Federal Home Loan Bank of San Francisco's Affordable Housing Program (AHP). FSL was ultimately awarded $1,000,000 funding from the San Francisco AHP, which then eliminated the need for the Rio Nuevo loan.

The issue before the Board of Supervisors is a request to approve a revised Subordination Agreement and supporting Estoppel Certification, allowing Rocky Mountain Community Reinvestment Corporation to replace Wells Fargo Affordable Housing Community Development Corporation and Wells Fargo Bank, National Association. This action reflects a customary transition from the construction lender to the permanent lender. I would recommend the transaction be approved without further delay.

CHH/mp

c: Jan Lesher, Chief Deputy County Administrator
Daniel Tylutki, Interim Director, Community Development and Neighborhood Conservation
Marcos Ysmael, Housing Manager, Community Development and Neighborhood Conservation