



Council Agenda Item 25-0619R

MEETING DATE: July 28, 2025

SUBJECT/TITLE: RESOLUTION AUTHORIZING THE CITY TO ENTER INTO AN AMENDED AND RESTATED MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE

SUBMITTED BY: Ben VanTassel, Planning & Economic Development Department Director

RECOMMENDATION: Approve.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION: NA

PREVIOUS COUNCIL ACTION: NA

BACKGROUND: The purpose of this resolution is to authorize an amended and restated master subordination agreement and estoppel certificate setting forth the priority of liens and declarations of restrictive covenants with respect to the New San Marco as follows:

- HUD Supportive Housing Grant Program Declaration
- \$10,998,000 MHFA Housing Infrastructure Loan
- MHFA HOME Declaration
- \$300,000 GMHF Loan
- \$200,000 City of Duluth CDBG Loan
- \$50,000 City of Duluth HIF Loan
- \$123,346 City of Duluth HOME Loan
- \$94,125 City of Duluth HOME Loan
- \$200,255 City of Duluth HOME Loan

The Center City and CC San Marco LLC have worked with the Minnesota Housing Finance Agency to finance the rehabilitation of the New San Marco apartments.

BUDGET/FISCAL IMPACT: NA

OPTIONS: Authorize the amended and restated master subordination agreement and estoppel certificate or forego authorization and the amended and restated master subordination agreement and estoppel certificate

NECESSARY ACTION: Authorize the award amounts and amended and restated master subordination agreement and estoppel certificate

ATTACHMENTS:

ATTACHMENT #1 – AMENDED AND RESTATED MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE