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# County of Santa Cruz

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## REDEVELOPMENT AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4000

(631) 454-2280 FAX: (631) 454-3420 TDD: (631) 464-2123

TOM BURNS, AGENCY ADMINISTRATOR

June 1, 2000

Agenda: June 20, 2000

Board of Directors  
County of Santa Cruz Redevelopment Agency  
701 Ocean Street  
Santa Cruz, CA 95060

### APPLICATION FOR DISCHARGE FROM ACCOUNTABILITY

Dear Members of the Board:

In the course of Redevelopment business there are transactions that, by their nature, can go into default. Although most loans made through our pre-development programs contribute to the success of individual projects and ultimately convert to conventional loans, there are some housing projects that do not proceed due to circumstances beyond our control. A Discharge from Accountability is requested on the collection of the following two outstanding balances.

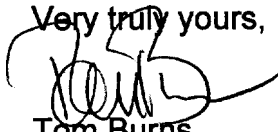
As part of a larger Mobile Home Park Conversion Program, on March 19, 1991 your Board approved a loan to Santa Cruz Community Housing Corporation (SCCHC) to be further loaned to lower income Cooperative members to enable them to acquire their memberships in various co-op conversion projects. While this program has been of great help to most of the loan recipients, over time, a small number of these loans have defaulted leaving a principle balance owed of **\$4,424.93**. In the opinion of staff, the likelihood of collection does not warrant any further expenditure involved in maintaining these accounts.

On October 1, 1996, your Board authorized a loan of \$20,000 emergency loan to the Receiver of San **Andreas** Farm Labor Camp to deal with certain health and safety issues which needed to be taken care of immediately to protect the existing very low income project residents. The owner subsequently defaulted on another, prior loan and the property was sold in foreclosure. Since this loan was in a subordinate position to the prior loan, it was expunged when the property sold via a Trustee's Deed and title was transferred free of any encumbrances. Since we did not include the amount of this loan in the Agency's financing to Mid-Peninsula Housing Coalition for this project, it is necessary to discharge accountability on the \$20,000 loan.

The sum of the outstanding balances for which discharge from accountability is requested is **\$24,424.93**. Your Board's authority to grant this discharge from accountability is provided in Government Code Section 25257. This requested discharge from accountability does not constitute a release of any listed person or entity from the liability of payment on any account.

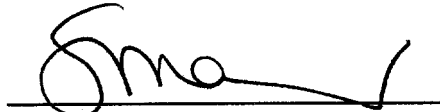
It is therefore **RECOMMENDED** that your Board, as the Board of Directors for the Redevelopment Agency, grant a discharge from accountability for the above balances totaling **\$24,424.93**.

Very truly yours,



Tom Burns  
Redevelopment Agency Administrator  
TB:TT

RECOMMENDED:



Susan A. Mauriello  
Redevelopment Agency Director

Attachments

cc. RDA  
Auditor-Controller

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