

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

651 Bannon Street, Suite 400
Sacramento, CA 95811
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



November 13, 2024

William Van Roo
William A. Van Roo, PC
13863 Quarterhorse Dr.
Grass Valley, CA 95949-7816

Dear William Van Roo:

RE: St. George Hotel – Notice of Violation

This letter follows up on the ongoing communications between William Van Roo, counsel to the owner of the St. George Hotel (Owner), and the California Department of Housing and Community Development (HCD) regarding the St. George Hotel (Development) located at 833 Front Street, #202 in Santa Cruz, California. HCD has also corresponded with the City of Santa Cruz (City). The Development has 71 affordable units, of which 16 were rent restricted through an agreement between the Owner and the City. The purpose of this letter is to provide written notice to the Owner that it is in violation of State Preservation Notice Law (PNL) under Government Code sections 65863.10 and 65863.11.

Preservation Notice Law Applies to Assisted Housing Developments that Receive Funds from Local Housing Trust Funds

PNL requires that owners of qualifying assisted housing developments provide certain notices to tenants and other interested parties, as discussed in greater detail below. The PNL notes that housing developments that “receive government assistance” from “local housing trust funds, as referred to in paragraph (3) of subdivision (a) of Section 50843 of the Health and Safety Code” in exchange for recorded agreements restricting rent charged and maximum tenant income are subject to PNL’s noticing requirements.¹

¹ See Gov. Code, § 65863.10, subd. (a)(3)(N)(ii). The internal references to statutory citations in the PNL have not been updated to reflect renumbered code sections following amendments to the Health and Safety Code. This letter will cite to those provisions as currently codified, and endeavor to provide cross-references.

Amended by Assembly Bill 2638 in 2006, the quoted reference above is now codified and amended, in pertinent part, in Health and Safety Code (HSC) section 50842.1:

The Legislature finds and declares all of the following:

- (a) Local housing trusts are locally developed responses to regional housing needs and are responsive to local control.
- (b) Local housing trusts have an excellent record of accomplishment of serving as efficient vehicles for disbursing resources at the local level.
- (c) As of January 1, 2006, there were 21 city and nine county housing trusts throughout California producing thousands of units of affordable housing, through the utilization of millions of dollars of locally generated funds, resulting in the leverage of millions more for the development of affordable housing.
- (d) Housing trusts are local sources of revenue for affordable housing and very often are a direct result of local constituencies coming together around affordable housing. These relationships are often long term and include a broad set of community players that go beyond the traditional supporter of affordable housing.²

While neither the PNL nor Health and Safety Code define the term “local housing trust fund,” state laws describing housing trusts that are eligible for matching funds from HCD are informative:

(d) Housing trusts eligible for funding under this section shall have the following characteristics:

- (1) They utilize a public or joint public and private fund established by legislation, ordinance, resolution, or a public-private partnership to receive specific revenue to address local housing needs.
- (2) They receive ongoing revenues from dedicated sources of funding such as taxes, fees, loan repayments, or private contributions.³

² A prior version of these findings was codified in HSC § 50843, subd. (a), as passed by AB 1891 (Statutes of 2001-2002).

³ HSC § 50843, subd. (d)(1) and (2). Note that PNL does not require that a housing trust fund meet these requirements to trigger PNL notice requirements. See also HSC § 50843.5, subd. (b)(1) and (2) [eligibility characteristics repeated verbatim for other similar grant programs].

HCD determines that housing developments that receive assistance from local funds that generally meet the eligibility criteria for HCD funding and fit within the description of local housing trusts in the PNL's findings and declarations are subject to the PNL.

The City's Housing Reconstruction Fund is a Local Housing Trust Fund for PNL Purposes

After the 1989 Loma Prieta earthquake, the American National Red Cross (ARC) entered into an agreement with the City "pursuant to which ARC agreed to provide certain funds to the City for the establishment of a Housing Reconstruction Fund for the purpose of rebuilding affordable housing and to create housing opportunities for those residents displaced by the [earthquake]." ⁴ Under that agreement, the ARC provided the City with "principal of \$1,380,000 to be used in a revolving fund for replacement of low-income housing in the City of Santa Cruz." ⁵

A 1993 memorandum from the Housing Authority of the County of Santa Cruz further described how the Housing Reconstruction Fund was utilized: "To date, a total of \$1,828,187 has been disbursed. This amount exceeds the initial funding by \$488,187 and represents an initial disbursement of \$320,677 which has been repaid and revolved and interest of \$127,510 which has been earned and disbursed to projects." ⁶

HCD determines that the City's Housing Reconstruction Fund (HRF) qualifies as a local housing trust fund for purposes of PNL. The City utilized a public-private partnership (between the City and the ARC) to receive specific revenue (\$1,380,000 in seed money from the ARC) to create a revolving fund to address local housing needs. The City then administered the HRF, which received ongoing revenues from a dedicated source of funding, specifically the HRF loan repayments.

For these reasons, HCD determines that the HRF qualifies as a local housing trust fund for PNL purposes. Because the Development received funding from a local housing trust fund in exchange for entering into an enforceable agreement restricting the rent that may be charged and eligible tenant income, the Owner is subject to PNL's noticing requirements.

⁴ Exhibit A, "Participation Agreement and Declaration of Deed Restriction, City of Santa Cruz and American National Red Cross Housing Reconstruction Fund," recorded October 31, 1991, p. 1.

⁵ Exhibit B, "Housing Reconstruction Fund Disbursements" Memorandum from the Housing Authority of the County of Santa Cruz, dated September 2, 1993.

⁶ *Ibid.*

The Owner Violated PNL

PNL requires an owner to provide certain notices three years, twelve months, and six months before the expiration of a regulatory agreement restricting the rent that may be charged to tenants.⁷ An owner must also provide a Notice of Opportunity to Submit an Offer to Purchase (NOSOP) at least twelve months prior to expiration of a regulatory agreement.⁸

Here, the Owner did not provide the proper notices three years, twelve months, and six months prior to expiration, nor did it provide the required NOSOP. Therefore, the Owner of the Development is in violation of PNL.

HCD finds the following notice violations:

- Three-Year Notices to Affected Public Entities and Affected Tenants were not provided or were not in compliance with some or all of the requirements of Government Code section 65863.10, subdivision (e)(2).
- Twelve-Month Notices to Affected Public Entities and Affected Tenants were not in compliance with some or all of the requirements of Government Code section 65863.10, subdivision (b).
- Notice of Opportunity to Submit an Offer to Purchase was not in compliance with some or all the requirements of Government Code section 65863.11.
- Six-Month Notices to Affected Public Entities and Affected Tenants were not in compliance with some or all of the requirements of Government Code section 65863.10, subdivision (c).

Next Steps

HCD is responsible for implementing PNL and has released templates for the notices required by Government Code sections 65863.10 and 65863.11, located on HCD's website.⁹ HCD is charged with the duty to monitor compliance with these sections and refer all violations to the Attorney General for appropriate enforcement action.

Failure to comply with PNL may be grounds for enforcement action by the state and other parties (as provided in the Government Code). HCD requests a written response to this notice by November 27, 2024.

⁷ Gov. Code, § 65863.10, subs. (b), (c), (e)(2).

⁸ Gov. Code, § 65863.11, subd. (b), (g).

⁹ Notice templates available at <https://www.hcd.ca.gov/policy-and-research/preserving-existing-affordable-housing>.

In addition, HCD requests that the Owner provide a proposed timeline for submitting a proper Three-Year Notice, Twelve-Month Notice, NOSOP, and Six-Month Notice, with the affordability restrictions in place until compliance with PNL is achieved. If you have questions or need additional information, please email Mary Milner at Mary.Milner@hcd.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Zisser', with a long horizontal flourish extending to the right.

David Zisser
Assistant Deputy Director
Local Government Relations and Accountability

Exhibit A

Recording Requested By)
And When Recorded Return To:)

Housing Authority of the)
County of Santa Cruz)
2160 41st Avenue)
Capitola, CA 95010-2060)
Attn: Mary James,)
Executive Director)

RE 1229
MI 1
SF 10
SM
LN
CO
OP
np

RECORDED AT THE REQUEST OF
FOUNDERS TITLE CO.
OCT 31 1991
1:30 PM
RICHARD W. BEDAL, Recorder
SANTA CRUZ COUNTY, Official Records

COPY

PARTICIPATION AGREEMENT AND DECLARATION OF DEED RESTRICTION

CITY OF SANTA CRUZ AND AMERICAN
NATIONAL RED CROSS HOUSING RECONSTRUCTION FUND

THIS PARTICIPATION AGREEMENT AND DECLARATION OF DEED RESTRICTION (this "Agreement") is made and entered into as of this 24th day of October, 1991, by and between the CITY OF SANTA CRUZ (the "City") and Green Valley Corporation ("Developer").

W I T N E S S E T H:

WHEREAS, the American National Red Cross ("ARC") and the City have entered into that certain Agreement for Capital Development Project dated October 15, 1990 (the "Participation Agreement"), pursuant to which ARC agreed to provide certain funds to the City for the establishment of a Housing Reconstruction Fund for the purpose of rebuilding affordable housing and to create housing opportunities for those residents displaced by the Loma Prieta earthquake of October 17, 1989, or other similar disasters as defined in the Participation Agreement; and

WHEREAS, Developer is the present owner of or intends to acquire certain real property located in the County of Santa Cruz, California, more particularly described on Exhibit A attached hereto and by this reference made a part hereof, and commonly known as The Saint George Hotel (the "Property"); and

WHEREAS, Developer proposes to develop and construct affordable housing units or to rehabilitate and rebuild existing housing units for the purpose of replacing housing units damaged or destroyed in the Loma Prieta earthquake and making housing

opportunities available for those displaced by the earthquake on the Property (the purchase and/or development of the Property being sometimes referred to herein as the "Project"); and

WHEREAS, Developer will maintain the use and occupancy of the Project in accordance with the terms and conditions of this Agreement for a period of thirty (30) years; and

WHEREAS, Developer has applied to the City for a loan (the "Loan") to finance a portion of the cost of the Project; and

WHEREAS, it is the intention of the parties to set forth the covenants, conditions and restrictions applicable to Developer's participation in the Housing Reconstruction Fund by this separate document.

NOW, THEREFORE, in consideration of the foregoing, and of the mutual terms and covenants hereinafter set forth, the parties hereby agree that Developer shall participate in the City's Housing Reconstruction Fund subject to the following terms and conditions:

1. Maintenance of Project. Developer shall maintain the use and occupancy of the Project for very low, low and moderate income victims of the Loma Prieta earthquake of October 17, 1989 or victims of other similar disasters as defined in the Participation Agreement for a period of thirty (30) years, such period to commence upon the later of (i) the date this Agreement is recorded in the Office of the County Recorder of the County of Santa Cruz (the "Closing Date"), or (ii) the date a Certificate of Occupancy is issued by the appropriate public agency for the Project. However, during those periods when there are no such victims of disasters within the City's service area requiring the housing services provided by the Project, Developer shall make the housing units of the Project available for the use of very low, low, and moderate income households as defined by the United States Department of Housing and Urban Development (as adjusted from time to time). For the purposes of this Agreement, a "very low income household" shall mean a household whose annual gross income is below fifty percent (50%) of county median income, adjusted by household size, a "low income household" shall mean a household whose annual gross income is below eighty percent (80%) of county median income, adjusted by household size, and a "moderate income household" shall mean a household whose annual gross income is below one hundred percent (100%) of county median income, adjusted by household size. When requested by ARC or the City, Developer shall give first priority to individuals or families who are referred by ARC or the City to Developer as needing such housing services.

2. Affordable Housing. Borrower hereby agrees that, because the Project consists of one or more rental units, for the entire term of the Loan Borrower shall maintain the rental for sixteen of such units at affordable levels for low income households. In addition, Borrower shall comply with all the terms and conditions of that certain agreement between City of Santa Cruz and Borrower dated October 12, 1990 entitled Reconstruction and Participation Agreement. An affordable rent (including payments made for utilities) shall be no more than thirty percent (30%) of the maximum household income for very low income households, low income households and moderate income households, respectively. Maximum rents for Single Room Occupancy (SRO) units which each contain their own kitchen and bath facilities in the unit shall be no more than eighty-five percent (85%) of the maximum rent for a studio unit. For SRO units which share either kitchen and/or bath facilities, maximum rent shall not exceed seventy-five percent (75%) of the maximum rent for a studio unit. Utilities shall mean those expenses as set forth in the Housing Authority of the County of Santa Cruz Section 8 Utility Allowance Schedule. The Schedule is available upon request.

3. Information. Developer shall furnish or cause to be furnished to the City the following:

(a) If the Project consists of one or more rental units, on an annual basis, commencing on the first anniversary date of the Closing Date and continuing each year thereafter for the next thirty (30) years, Developer shall provide the City with (i) written certification that Developer's Project tenant occupancy selection criteria has given first preference to victims of the Loma Prieta Earthquake of October 17, 1989 or to victims of subsequent disasters as defined in the Participation Agreement, and (ii) documentation regarding the number of earthquake victims housed, the number of victims of similar disasters housed, and/or the number of very low, low, or moderate income households housed.

(b) Copies of any other reports, documents, or informational filings prepared by Developer for any other state or local governmental agency in connection with the Project.

(c) Such other information concerning Developer or the Project as the City may from time to time reasonably request.

4. Recordation. Developer shall execute this Agreement, cause the same to be acknowledged and deliver said executed and acknowledged document to the City in such form as to permit its recordation in the Office of the County Recorder of the County of Santa Cruz.

5. Limited Construction. Nothing contained herein shall be deemed compliance with or waiver of any provision of law or condition of approval for the Project except as is expressly stated herein.

6. Covenants to Run With the Land. The City and Developer hereby declare their express intent that the covenants, conditions and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon Developer's successors in title to the Project or the Property. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, conditions and restrictions, regardless of whether such covenants, conditions and restrictions are set forth in such contract, deed or other instruments.

7. Burden and Benefit. The City and Developer hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land in that Developer's legal interest in the Project and the Property is rendered less valuable thereby. The City and Developer hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment of the Project and the Property by very low, low and moderate income tenants, the intended beneficiaries of such covenants, conditions and restrictions, and furthering the public purposes for which the Loan was made.

8. Waivers. No waiver by either party of any provision of this Agreement, or of any term, covenant or condition of this Agreement, or of any ordinance or law, shall be deemed to be a waiver of any other provision or any subsequent breach of any provision of this Agreement, or of any term, covenant or condition of this Agreement, or of any ordinance or law.

9. Costs and Attorneys' Fees. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with such an action from the other party.

IN WITNESS WHEREOF, the City and Developer have executed this Agreement as of the day and year first above written.

THE CITY OF SANTA CRUZ, a Municipal corporation

By: [Signature]
Name: Richard C. Wilson
Its: City Manager

DEVELOPER

Green Valley Corporation

By: [Signature]
Name: Barry Swenson
Its: President

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:

[Signature]
City Attorney

Exhibit A
Legal Property DescriptionPARCEL ONE:

Parts of Lots 2 and 3, in Block 5, as the same are numbered and designated on the Official Map "A" of the town, now City of Santa Cruz, and particularly bounded and described as follows:

BEGINNING on the Easterly side of Pacific Avenue, at the Southwesterly corner of the land now or formerly of Hugo F. Hihn, said point of beginning being .725 of a foot South 12° 30' East from the Southwesterly corner of Lot 1, in Block 5, as numbered and designated on said Map;

THENCE from said point of beginning parallel to and .725 of a foot distant from the Southerly line of said Lot 1, North 77° 31' East 82.29 feet to the Westerly line of Front Street, as shown on said Map;

THENCE along said Westerly line of Front Street, South 36° 19' East 35.357 feet to the Northeasterly corner of land of James F. Simpson, said point being South 36° 19' East, 12.95 feet distant from the corner common to Lots 2 and 3 on the Westerly line of Front Street as numbered and designated on said Map;

THENCE to the Westerly line of Front Street, as widened, and along the center of that certain Real Party Wall constructed in accordance with an Agreement recorded in the Office of the County Recorder of said County of Santa Cruz in Book 6 of Agreements, at Page 77, et. seq., South 67° 43' West at 3.45 feet intersecting an iron spike driven on the Westerly wall line of Front Street, as widened, and continuing a total distance of 40.96 feet to the center of the brick wall on the Northerly line of land of James F. Simpson as described in that certain Deed (dated June 26, 1894) from James F. Simpson to Cornelius B. Pease recorded in the Office of the County Recorder of the said County of Santa Cruz, in Book 78 of Deeds, at Page 228, et. seq.;

THENCE along the center of said brick wall, South 80° 16' West, 4.7 feet to an intersection with the produced line of the Easterly course in the Southerly boundary of said Lot 2 in said Block 5 as numbered and designated on said Map;

THENCE along said produced line of said Easterly course, North 54° East, 1.4 feet to an angle on the Southerly boundary of said Lot 2;

THENCE along the last mentioned boundary, South 80° 16' West, 53.10 feet to the Easterly side of Pacific Avenue as designed on said Map; and

THENCE along said side of Pacific Avenue, North 12° 30' West, 34.775 feet TO THE PLACE OF BEGINNING.

PARCEL TWO:

BEGINNING on the Easterly side of Pacific Avenue, at the Southwesterly corner of Lot 2, in Block 5, as said Lot and Block are numbered and designated on Official Map "A" of the town, now City of Santa Cruz;

THENCE along the Southerly boundary of said Lot 2, North 80° 16' East 53.13 feet to an angle;

Exhibit A
Legal Property Description
(Continued)

THENCE South 53° 05' West, 1.41 feet to a point in the center of a brick wall described in the Deed from James F. Simpson to Cornelius B. Pease dated August 18, 1891 and recorded in the Office of the County Recorder of said County of Santa Cruz in Book 78 of Deeds, at Page 228;

THENCE along the center of said brick wall, North 79° 22' East 4.70 feet to an angle therein;

THENCE leaving said wall and running North 68° 45' East (at 37.50 feet a spike on the Westerly side of Front Street as the same has been widened 40.96 feet) to a station on the Westerly side of Front Street as shown on the aforesaid Map;

THENCE along the Westerly side of said Front Street as shown on said Map Southeasterly 58.268 feet, a little more or less, to the Southeasterly corner of land conveyed by John Werner to James F. Simpson by Deed dated June 25, 1894 and recorded in Book 95 of Deeds, at Page 458, Santa Cruz County Records;

THENCE leaving said Westerly side of said Front Street as shown on said Map, South 50° 57' West 2.35 feet, a little more or less, to the Westerly side of Front Street as widened;

THENCE South 78° 01' West along the produced middle line of the Party Wall between the land herein described and those belonging to the Hotaling Estate Company 21.41 feet to a angle;

THENCE North 59° 08' East 7.808 feet to the Southerly boundary of Lot 3, in Block 5 as shown and designated on said Official Map "A";

THENCE along the said Southerly boundary of said Lot 3, South 77° 30' West, 105.31 feet, a little more or less, to the Easterly side of Pacific Avenue; and

THENCE along the Easterly side of Pacific Avenue, 46.99 feet to the place of beginning, being the property known as the "Simpson Block."

PARCEL THREE:

BEGINNING on the East side of Pacific Avenue in said City of Santa Cruz at the Southwest corner of Lot 3, as said Lot and Block are shown and designated on the Official Map "A" in the Town (now City) of Santa Cruz;

THENCE North 78° 01' East to and along the middle of the brick wall now standing on the South side of said Lot 3 and produced line thereof 117.65 feet to the West side of Front Street as now widened;

THENCE North 51° 57' East at a right angle with the present Westerly side of Front Street 2.35 feet to the West side of Front Street as shown on said Map;

Exhibit A
Legal Property Description
(Continued)

THENCE South 37° 25' East along said last named side of Front Street 53.55 feet to the Northeast corner of Lot 5, as said Lot is shown in said Map;

THENCE along the Northerly and Easterly lines of said Lot 5, South 52° 08' West, 65.80 feet to an angle, North 28° 01' West 17.15 feet to an angle, South 77° 55' West, 77.76 feet to the said Easterly side of Pacific Avenue; and

THENCE North 13° 25' West 59.70 feet TO THE PLACE OF BEGINNING.

PARCEL FOUR

Lot 5, in Block 5, as shown on the Official Map "A" of the Town (now City) of Santa Cruz, and further described as follows:

BEGINNING on the West side of Front Street at the Southeast corner of Lot 4 in said Block 5;

THENCE along the West side of said Front Street, South 36° 19' East 58.35 feet to a station at the Northeast corner of Lot 6 as shown on said Map;

THENCE along the North line of said Lot 6, South 54° 45' West 55.70 feet to a station and South 76° 50' West 113.90 feet to a station on the East side of Pacific Avenue as shown on said Map;

THENCE along the East side of said Pacific Avenue, North 12° 30' West 67.65 feet to the Southwest corner of said Lot 4;

THENCE along the South line of said Lot 4, North 78° 30' East 77.75 feet to a station, South 27° 45' East 17.16 feet to a station, and North 52° 45' East 65.80 feet TO THE POINT OF BEGINNING.

PARCEL FIVE:

Lot 6, in Block 5, as shown on the Official Map "A" of the Town (now City) of Santa Cruz, and further described as follows:

BEGINNING on the West side of Front Street at the Southeast corner of Lot 5 in said Block 5;

THENCE along the West side of said Front Street, South 36° 19' East 46.35 feet to the Northeast corner of Lot 7 in said Block 5;

THENCE along the North line of said Lot 7, South 53° 30' West 30.25 feet to a station and South 76° 30' West 156.20 feet to a station on the east side of Pacific Avenue as shown on said Map;

Exhibit A
Legal Property Description
(Continued)

THENCE along the East side of said Pacific Avenue, North 12° 30' West 34.70 feet to the Southwest corner of said Lot 5;

THENCE along the South line, of said Lot 5, North 76° 50' East 113.00 feet to a station and North 54° 45' East 55.70 feet TO THE POINT OF BEGINNING.

Assessor's Parcel Number: 005-051-03

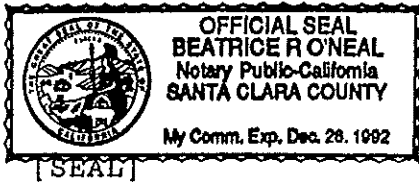
Said land described in Parcels One through Five herein are the same as were first conveyed to Robert G. Shepard et ux by deed recorded March 15, 1966 in Book 1752, Page 151, Official Records of Santa Cruz County.

FOR CORPORATE ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss
COUNTY OF SANTA CRUZ)

On this 24th day of October, 1991, before the undersigned, a Notary Public in and for said State of California, personally appeared C. Brown and _____, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who executed the within instrument as the President and _____, respectively, of the corporation that executed the within instrument, and acknowledged to me that they executed the within instrument on behalf of the corporation, and further acknowledged to me that the corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

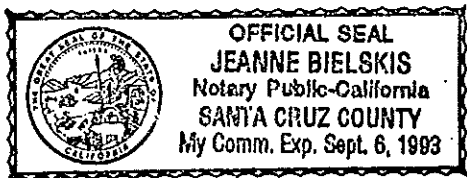


Beatrice R. O'Neal
Notary Public in and for the State of California

STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA CRUZ)

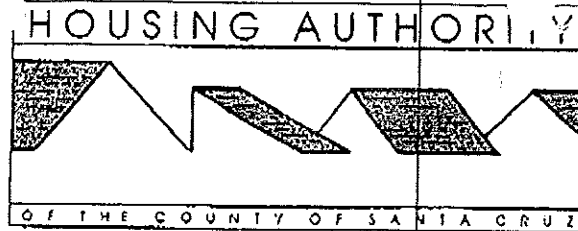
On this 31st day of October, in the year One Thousand Nine Hundred and Ninety One, before me, JEANNE BIELSKIS, a Notary Public, in and for said County of Santa Cruz, personally appeared RICHARD C. WILSON, known to me to be the City Manager of the City of Santa Cruz, the municipal corporation that executed the within instrument, and also known to me to be the person who executed it on behalf of said municipal corporation therein named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Jeanne Bielskis
JEANNE BIELSKIS
Notary Public in and for the County of Santa Cruz, State of California. My commission expires September 6, 1993.

Exhibit B



DATE: September 2, 1993
 TO: Ceil Cirillo
 FROM: Sue Hoge
 SUBJECT: Housing Reconstruction Fund Disbursements

The Housing Reconstruction Fund provided by the American Red Cross originally provided for principal of \$1,380,000 to be used in a revolving fund for replacement of low income housing in the City of Santa Cruz. To date, a total of \$1,828,187 has been disbursed. This amount exceeds the initial funding by \$448,187 and represents an initial disbursement of \$320,677 which has been repaid and revolved and interest of \$127,510 which has been earned and disbursed to projects. A summary of disbursements is given below.

Project	Funding	Percent
Neary Lagoon	\$320,677	17.5
SCAP	74,500	4.1
El Centro	353,633	19.3
Colonial/Gularte	525,000	28.7
La Playa	148,377	8.1
St. George	<u>406,000</u>	<u>22.2</u>
Total	\$1,828,187	100.0