

Senate Committee Okays Bill To Provide State Loans For City's Urban Renewal Costs

Creation of a \$3,500,000 state loan fund to provide flood-damaged cities embarking on federally-aided redevelopment programs assurance they will be able to meet their obligations to the federal government was approved last night by the senate finance committee at Sacramento.

Authorized by Senator Donald Grunsky of Watsonville, the measure is due for a vote on the senate floor tomorrow.

It provides for setting up of a fund to which flood-hit cities like Santa Cruz and Yuba City could turn for assistance in meeting the one-third "net cost" of redevelopment projects carried out under the sponsorship of the federal urban renewal administration.

The proposed Santa Cruz redevelopment project—the first to receive post-flood approval in Washington—embraces 81.7 acres lying within the rough quadrangle formed by Front, Water and Ocean streets and Soquel avenue.

In its application for federal aid, the Santa Cruz city redevelopment agency estimated the overall cost of buying land and preparing it for new and modern re-use at \$2,500,000.

The "net cost"—the deficit between purchase price and re-sale price to future users—was estimated at \$900,000 by the redevelopment agency.

According to URA formula, the federal government would absorb two-thirds of the net cost, leaving the city redevelopment agency with the responsibility of finding the \$300,000 balance.

Grunsky's bill would give the agency—whose debts are not binding on the city government—a "bank" to which to turn for the money in lieu of other methods of raising its one-third obligation.

One suggested alternative is to raise the \$300,000 via revenue bonds secured by pledges of the increase in tax revenue expected from the properties within the quadrangle upon completion of the redevelopment project.

Originally, Grunsky's bill provided for either loans or outright gifts to communities rehabilitating flooded areas with URA programs.

However, the grant feature was dropped in committee and as the measure stands it would set up a straight loan fund.

Some details, such as terms and length of loans, remain to be ironed out.

URA Regional Administrator Richard Ives yesterday approved the \$37,240 contract under which the Palo Alto planning firm of Harold F. Wise associates is drawing up plans for redevelopment of the quadrangle, Santa Cruz' first renewal project area.

Ives met in San Francisco with Wise, City Planning Director Rob-

ert Cook, John Nicholson, attorney for the city redevelopment agency, and Arnold Levine, agency member.

Chairman Kermit McGranahan of the redevelopment agency is scheduled to sign the final contract tomorrow.

Two Wise planners have been in Santa Cruz for more than a week working on preliminary aspects of the plan, entitled the San Lorenzo park project.

The agency hopes that planning will be completed in seven months to convert the quadrangle into a mid-city beauty area including such desired uses as a park, off-street parking, possibly a hotel-motel, selected commercial enterprises and new residential units.

Fresh evidence of the close cooperation between Santa Cruz' two representatives in the state legislature, Grunsky and Assemblyman Glenn Coolidge of Santa Cruz, was apparent today when Grunsky announced he will give all the support at his command to Coolidge's assembly-approved 10-point, \$24,500,000 flood aid program as it goes through the upper house.

Grunsky said he is "optimistic" that the senate will give a favorable reception to the program, which provides state grants for repair of highways and public facilities in flood-hit areas.

Two Teachers Resign; Pair Appointed

Two Santa Cruz high teachers resigned and two teachers were hired at a meeting of the city school board last night in the city schools administration building.

James Hood, mathematics instructor for five years at the school, tendered his resignation in order to accept a similar position at San Jose high school. Donna Riley, who has been teaching at the high school of Lafayette, resigned her position. She has been teaching social studies for the last three years at the city high school.

Board members approved hiring of Mrs. Williever Gibson, who has taught the eighth grades in Oakland for three years as a first grade teacher.

Hired as a mathematics teacher for the school was Eugene Williams, who is completing his studies at the University of California. The resignations become effective at the end of the term and the job appointments go into effect at the beginning of the fall term.