



**Audit Memorandum  
2002-SF-1802**

March 25, 2002

TO: Janet Browder  
Director, San Francisco Multifamily Hub, 9AHM

//SIGNED//

FROM: Mimi Y. Lee  
District Inspector General for Audit, 9AGA

SUBJECT: Limited Review – Lorenz Hotel, Project No. 136-38029  
Property Disposition Program  
Redding, California

In response to a request from the U.S. Department of Housing and Urban Development's (HUD's) Sacramento Multifamily Program Center, we completed a limited review of commercial rent activities at Lorenz Hotel located at the city of Redding, California. We found Shasta Housing Development Corporation (SHDC) violated its sales contract and grant deed of the property by retaining \$53,484 in commercial rent.

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## ***BACKGROUND***

The Lorenz Hotel is a 77-unit low-income housing project once owned by the Shasta Housing Development Corporation (a California non-profit community entity) located in Redding, California. HUD funded a \$7 million rehabilitation of the Lorenz and sold it to SHDC in 1995 for one dollar. The project is a six-story former hotel built in the 1920s. HUD and SHDC executed an agreement for Housing Assistance Payments (HAP) where HUD provides long-term Section 8 rental assistance to low-income people. In addition to the lobby used by the residents, there is commercial rental space on the ground floor that houses a church, restaurant, barbershop, and other small businesses.

In September 1995, SHDC and Christian Church Home of Northern California (CCH) signed a management agreement in which CCH would manage and market both the commercial and residential spaces. In July 1997, SHDC revised the management agreement so CCH would no longer be responsible for managing and marketing the commercial spaces. As a result, SHDC collected both the rents and the security deposits of the commercial space from July 1997 to July 1999. SHDC subsequently returned management of the commercial space to CCH and sold,

with HUD's approval, the hotel to CCH for one dollar. SHDC then changed its name to Community Revitalization and Development Corporation (CRDC) in October 2000.

The Office of Inspector General received a request from HUD's Multifamily Program Center in Sacramento for an audit of the Lorenz project. The request expressed concern with SHDC's handling of the project's commercial security deposits and rents as well as certain outstanding liabilities.

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### ***OBJECTIVE, SCOPE, AND METHODOLOGY OF LIMITED REVIEW***

The objectives of our review were to:

1. Determine whether the rents and deposits SHDC collected from the Lorenz Hotel commercial tenants from July 1997 to June 1999 were handled in accordance with HUD requirements; and
2. Determine the disposition of the outstanding liabilities of \$19,059 and \$8,059, dating from June 30, 1996 and June 30, 1998, respectively, as noted by the public accountant's report accompanying statements of financial position of the Lorenz Hotel as of June 30, 1998.

We did the following work to accomplish our objectives:

- Interviewed knowledgeable official from HUD's Sacramento Multifamily Program Center;
- Interviewed the current director of Community Revitalization and Development Corporation, official of property manager CCH, the commercial tenants at the Lorenz Hotel, and reviewed commercial tenant records on rental payments, where possible;
- Reviewed the Lorenz Hotel books and records maintained by property management agent Christian Church Home of Northern California;
- Reviewed the HUD sales contract and grant deed for the Lorenz Hotel;
- Examined records provided by SHDC (now known as Community Revitalization and Development Corporation) in support of payments made on behalf of the project; and
- Reviewed the commercial lease agreements.

Most of SHDC's accounting records for the project were supposedly destroyed, and were not generally available for our review.

A formal examination of SHDC's management controls was not necessary for our objectives. Therefore, our conclusions are not based on any reliance on such controls.

The limited review generally covered the period from July 1997 through June 1999 and was conducted during the period from February 2001 through end of February 2002.

We performed this limited review in accordance with generally accepted government auditing standards.

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## ***SUMMARY***

We concluded SHDC violated its sales contract and grant deed of the Lorenz Hotel by retaining a net of \$53,484 of commercial rent. We discuss this issue in detail in the following finding section.

Regarding liabilities of \$19,059 and \$8,059 reported in the project's June 30, 1998 financial statements, we concluded the following:

- The \$19,059 was part of a \$65,000 loan SHDC obtained from the Redding Redevelopment Agency in August 1995 as a working capital advance during the initial rent-up period for the Lorenz Hotel. The loan has since been fully repaid and is no longer an issue.
- The \$8,059 supposedly represented SHDC's liability to the Lorenz Hotel for commercial rents it retained. Since SHDC's accounting books and much of its records were destroyed, SHDC was unable to show how it arrived at this amount. Nevertheless, as described in the following finding, we independently computed the amount of commercial rents and deposits SHDC retained based on available evidence.

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## ***FINDING***

### **SHDC Improperly Retained Commercial Rental Income**

SHDC disregarded requirements contained in the property's sales contract and grant deed by improperly retaining a net of \$53,484 in commercial rents. This reduced the project's ability to readily meet its financial obligations and provide for future monetary needs.

The HUD sales contract to SHDC for the property required it to use net income from all commercial rental space for the exclusive use of the property. While the contract was silent on handling of security deposits, those deposits are an obligation of the project. Therefore, the deposits should be available for future refund to tenants.

SHDC took over management of commercial space in 1997.

SHDC entered into an agreement with Christian Church Home of Northern California (CCH) in September 1995 for CCH to manage the Lorenz Hotel. Under the agreement, CCH was to collect and disburse all rents and other amounts received from both the residential and commercial tenants. Such receipts were to be deposited in a separate account in

the name of the project. In July 1997, SHDC amended the agreement with CCH so that SHDC would take over the management of the commercial space. CCH was only responsible for management of the residential portion of the hotel and would not provide accounting services for the commercial spaces. SHDC was to manage commercial activities and agreed to make all financial information available to CCH for auditing and other purposes.

SHDC disregarded HUD's requirements.

When SHDC took over administration of commercial activities, it disregarded HUD's requirements and deposited receipts into its general account and commingled them with non-project funds. Further, SHDC stated these financial records had been destroyed. Consequently, SHDC was not able to provide a complete accounting of the receipts and disbursements.

Despite the near complete lack of financial records, we concluded SHDC collected \$158,224 in rents and \$2,692 in security deposits from July 1997 through June 1999. We calculated the amounts by reviewing the lease agreements and confirming this information by interviewing the tenants. We also considered records provided by CCH and SHDC showing it paid \$35,430 [\$20,358+\$15,072] for project expenses on behalf of the commercial tenants and \$72,002 [\$69,310+\$2,692] to CCH that was deposited in the project's account. Thus, our analysis showed SHDC improperly retained a net of \$53,484.

<i>Tenant</i>	<i>Security Deposit</i>	<i>Rent from July 1, 1997 to June 30, 1998</i>	<i>Rent from July 1, 1998 to June 30, 1999</i>	<i>Total</i>
<i>Photographer</i>	\$800	\$9,600	\$9,600	\$20,000
<i>Hair salon</i>	692	8,304	8,304	17,300
<i>Nonprofit organization</i>		9,600	9,600	19,200
<i>Restaurant</i>		40,908	40,908	81,816
<i>Barber shop</i>	200	2,700	2,700	5,600
<i>Church</i>	1,000	6,400	9,600	17,000
<i>Total receipts</i>	\$2,692	\$77,512	\$80,712	\$160,916
<i>Less payments by SHDC</i>				
<i>Payment to CCH</i>				\$69,310
<i>Security deposit reimbursement to CCH</i>				2,692
<i>Direct payments to vendors</i>				20,358
<i>Additional direct payments to vendors</i>				15,072
<i>Total payments</i>				\$107,432
<i>Net amount retained</i>				\$53,484

The retention of these monies negatively impacted the project financially.

The retention of these monies negatively impacted the Lorenz Hotel. Based on the Lorenz Hotel's annual financial statements, the project had negative surplus cash positions (that is, current obligations exceeding cash balances). For June 30, 1998 and 1999, the negative balances were \$26,351 and \$12,948 respectively. Although the project's financial position was improving, these monies are not available for the project's future needs to assure the housing and commercial spaces are properly maintained and the project meets other financial needs.

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### ***AUDITEE COMMENTS***

The CRDC provided its written response to our draft audit memorandum which is included as Attachment A.

The CRDC did not dispute the fact that staff working for the SHDC improperly retained commercial rental income and deposits. However, CRDC for a variety of reasons did not concur with dollar amount of funds retained by SHDC that was established in our review.

The CRDC claimed there were no outstanding security deposits. SHDC and Christian Church Home (CCH) each made deposits of \$5,000 in regard to the Tree House apartment development. At the time when those deposits were released, SHDC agreed that the amount that was owed for the Lorenz Hotel commercial deposits were to be deducted from the \$5,000 that was due to SHDC. The CRDC provided a copy of the letter from CCH explaining the agreement that was reached to pay back the outstanding amount of the deposits.

The CRDC claimed the amount paid by the restaurant was an open question. The restaurant was continually behind in rent. Rent was never paid when it was due. The amount paid seemed to change monthly.

The CRDC stated that the amount of the space occupied by SHDC changed as the organization downsized. Between July 1, 1998 and August 31, 1998, the number of employees declined from three to two. For all of the period in 1999, there was only one employee in the office. The CRDC believed that the amount owed for rent by SHDC should be reduced.

The CRDC provided a summary of cash disbursements from their accounts relative to Lorenz Hotel expenses during the period in question. The CRDC stated they believe that this record of disbursements was a more accurate reflection of what actually transpired.

## ***OIG EVALUATION OF AUDITEE COMMENTS***

We reviewed the supporting documentation CRDC provided as to the settlement of the security deposits in an amount of \$2,692 with CCH. We independently verified this with CCH's representative. Accordingly, we have adjusted our audit finding from \$2,692 to \$0 for the security deposits reimbursement to CCH.

The CRDC did not provide any evidence or support as to the amount of rent SHDC collected from the restaurant from July 1, 1997 to June 30, 1999. Therefore, we did not adjust our audit findings with regard to the amount of commercial rent that was collected from the restaurant.

We did not take any exception to the SHDC's use of office space at the Lorenz Hotel in our draft audit memorandum. The CRDC incorrectly thought the item under "nonprofit organization total rent \$19,200" in our draft audit memorandum meant SHDC. The rent collected was from a different nonprofit organization.

The CRDC prepared a summary of cash disbursements related to the Lorenz Hotel for the period July 1, 1997 to June 30, 1999. The CRDC stated the financial records had been destroyed. Consequently, CRDC was not able to provide a complete accounting of the receipts and disbursements related to the Lorenz Hotel. The CRDC was able to provide adequate supporting documentation for \$20,358 in direct payments to vendors. We previously accepted this amount in our draft audit memorandum. Based upon CRDC's response, we subsequently performed an additional review and analysis of cash disbursements. Accordingly, we have adjusted our audit findings to accept an additional \$15,072 in direct payments to vendors.

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## ***RECOMMENDATION***

We recommend you require SHDC, now known as Community Revitalization and Development Corporation, to return \$53,484 to the project.

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Within 60 days, please furnish us a status report on the recommendation stating: (1) the corrective action taken, (2) the proposed corrective action and date to be completed, or (3) why action is considered unnecessary. Also, please furnish us with copies of any correspondence or directives related to the review.

If you have any questions concerning this report, please call Joseph Chaves, Assistant District Inspector General for Audit, at (415) 436-8101.

Attachment A – Written Auditee Comments  
Attachment B – Distribution

## ATTACHMENT A

**WRITTEN AUDITEE COMMENTS**

COMMUNITY REVITALIZATION &amp; DEVELOPMENT CORPORATION

January 23, 2002

Mimi Y. Lee  
District Inspector General for Audit  
U.S. Department of Housing and Urban Development  
450 Golden Gate Avenue, Box 36003  
San Francisco, CA 94102-3448

**RE: Response to Limited Review, HUD Project No. 136-38029**

Dear Ms. Lee:

The draft audit memorandum was received on January 18, 2002. Given the deadline of January 25, 2002 to respond, this response is the best that is possible.

First, there is no dispute that staff working for the Shasta Housing Development Corporation (SHDC) improperly retained Commercial Rental Income and Deposits. That fact has never been disputed. That violations had occurred were reported by SHDC to the accountant performing the audit in 1999.

Second, we do not concur with the amount that is established in the review. This is for varieties of reasons that are outlined below.

1. There are no outstanding security deposits. SHDC and CCH had each made deposits of \$5,000 in regard to the Tree House apartment development. At the time when those deposits were released, SHDC agreed that the amount that was owed for the Lorenz commercial deposits were to be deducted from the \$5,000 that was due to SHDC. CCH called and asked if this was acceptable. SHDC agreed, and the amount owing for the commercial deposits was deducted. If there are any questions, please confirm this with Wendy Moorhouse at CCH. I have attached a copy of the letter from Ms. Moorhouse that explains the agreement that was reached to pay the outstanding amount of the deposits.

2. The amount paid by the restaurant is an open question. The restaurant was continually behind in rent. Rent was never paid when it was due. The amount paid seemed to change monthly. The amount in the memorandum strikes us as being excessive.
3. The amount of space occupied by SHDC changed as the organization downsized. Between July 1, 1998 and August 31, 1998, the number of employees declined from three to two. For all of the period in 1999, there was only one employee in the office. During 1998 and 1999, the Redding Police Department (RPD) occupied more space than did SHDC. The occupancy of the space by the RPD was a benefit to the project. During the time that SHDC occupied space in the Lorenz, there were numerous problems with vagrants and a group that identified themselves as "Crows." After the space was occupied by the RPD, windows were broken in retaliation for allowing the RPD to occupy the space. Officers from the RPD did work to improve conditions. The adjacent park had become an attractive nuisance. In addition, when the park was improved, all of the parking spaces that were adjacent to the space occupied by SHDC and the beauty parlor had been removed. This made the space less attractive. The space occupied by SHDC also flooded due to plumbing problems in a residential unit. We believe that the amount owed for rent by SHDC should be reduced.
4. Attached is a summary of cash disbursements from SHDC accounts relative to Lorenz Hotel expenses during the period in question. We believe that this record of disbursements is a more accurate reflection of what actually transpired.

The Executive Director that ran the organization between 1991 and January 1, 1998 poorly served SHDC. In addition, the Deputy Director and Chief Financial Officer, who also served as the acting Executive Director from January 1 to April 1, 1998, also did not perform in a manner that was a benefit to the organization. The board of directors in 1997 and 1998 did not know what was going on inside the organization. When they learned the true state of affairs, beginning in mid to late 1998, they all resigned. The current members of the board are informed and have worked diligently to turn the organization around. It has been a difficult process. We have been the managing general partners in the development two large-family developments in Shasta County within the past three years. We are working with local governments to address the critical shortage of affordable housing that is facing many families in this community. We are also discussing CRDC's involvement in building transitional housing units for



the most fragile members of our community, these are the homeless and soon to be homeless citizens that are struggling to survive.

CRDC has become a credible member of the low-income housing community. We are committed to fulfill our obligations. We will cooperate in every conceivable way to reach a satisfactory conclusion. CRDC is not a cash rich organization. We ask that representatives of HUD be reasonable in negotiating a fair and equitable conclusion to this matter.

Representatives of CRDC are willing meet with you to discuss a settlement of outstanding issues. Please give us at least two weeks notice so that schedules can be arranged.

Sincerely,



David Rutledge  
Executive Director

Auditee comments are to be obtained.]



**Christian Church Homes  
of Northern California**

303 Hegenberger Road, Suite 201, Oakland, California 94621-1419  
(510) 632-6712 Fax (510) 632-6755

March 20, 2000

Mr. Dave Rutledge, Executive Director  
Shasta Housing Development Corp.  
P.O. Box 990490  
Redding, CA 96099

RE: Minimum Capital Investment  
Tree House Senior Apartments

Dear Dave,

In 1997, SHDC made a \$5,000 Minimum Capital Investment (MCI) on behalf of Tree House Senior Apartments in accordance with HUD regulations. Together with \$5,000 from CCH, the account was maintained in a non-interest bearing account in Wells Fargo Bank, Redding until August 1998. At that time, it was transferred to the Oakland branch of Wells Fargo and began earning interest.

Now that the facility has been functioning for three years without the need to utilize this money, it is being returned to the co-sponsors, SHDC and CCH. A copy of the cashier's check for \$10,795.37 is enclosed as evidence of this. Per our conversation of last week, CCH has deducted the full amount of the Promissory Note dated 10/25/99 related to the Lorenz Hotel from the amount due to SHDC for the MCI.

SHDC original MCI	\$5,000.00
Interest earned	\$ 397.69
Promissory Note Amount	<\$2,692.00>
<b>TOTAL AMOUNT DUE SHDC</b>	<b>\$2,705.69</b>

Please accept this letter as evidence that the Promissory Note to Lorenz Senior Housing Corporation has been paid in full according to the terms and conditions stated therein.

If you have any questions, please call me at 510-632-6714, ext. 103. Thank you.

Sincerely,

Wendy R. Moorhouse  
Operations Manager

CC: Winthrop Marshall, CFO, CCH  
Quality Housing in Caring Communities Since 1961

SHASTA HOUSING DEVELOPMENT CORPORATION/COMMUNITY  
 REVITALIZATION DEVELOPMENT CORPORATION  
 SUMMARY OF CASH DISBURSEMENTS  
 JULY 1, 1997 THROUGH JUNE 30, 1999

DATE	CHECK NUMBER	PAYEE	DESCRIPTION	AMOUNT	
				VENDOR	CCH
7/11/1997		Sandy's Drapery Inc	Blinds commercial office	185.54	-
7/21/1997		Enterprise Plumbing	Commercial Plumbing	64.57	-
8/7/1997		James White Contractor	Repairs	65.00	-
8/20/1997	247	Farmer's True Value	Lorenz Maintenance Supplies	29.48	-
9/2/1997	2044	PG&E	DeJa Vu's gas bill	194.80	-
9/12/1997	2067	Donald R. Reynolds	Deposit Lorenz Audit 6/30/97	1,000.00	-
9/12/1997	2083	Giles Lock & Key Service	Locks Basement	76.13	-
9/12/1997	2108	Redding Spray Service	Commercial roaches	85.00	-
9/18/1997	2129	Enterprise Heating & Air	Commercial Heat/VAC	2,768.14	-
10/15/1997	2154	Donald R. Reynolds	Balance due Lorenz Audit 6/30/97	2,500.00	-
10/15/1997	2163	Wagner Electric	Repair exterior lighting	505.54	-
10/24/1997	2184	Giles Lock & Key Service	Locks Hotel	17.48	-
11/20/1997	2163	CCH	Reimbursement of Lorenz Hotel deficit	-	26,936.43
11/25/1997	2184	City of Redding	Payment on Lorenz Loan	5,000.00	-
11/25/1997	2204	Enterprise Heating & Air	Commercial Heat/VAC	235.57	-
11/25/1997	2204	Farmer's True Value	Lorenz Maintenance Supplies	9.68	-
11/25/1997	3004	Giles Lock & Key Service	Lorenz Locks	99.98	-
12/5/1997	2213	CCH	Utilities Commercial space	-	2,063.62 *
12/10/1997	2219	Enterprise Plumbing	Commercial Plumbing	90.00	-
12/10/1997	2219	Enterprise Plumbing	Commercial Plumbing	891.00	-
12/23/1997	3026	Nicolet Glass	Replace broken window at Hotel	367.80	-
1/8/1998		CCH	Utilities Commercial space	-	2,569.05 *
1/8/1998		Farmer's True Value	Lorenz Maintenance Supplies	10.89	-
1/8/1998		Giles Lock & Key Service	Locks Commercial office	80.55	-
2/5/1998	1430	Metraweld	Deposit for basement gate	290.00	-
2/6/1998	1448	Gardner Plumbing	Hotel Plumbing	72.00	-
2/17/1998	1473	Metraweld	Balance due for basement gate	575.00	-
3/2/1998	1470	CCH	Utilities Commercial space	-	2,516.45 *
3/3/1998	1590	Redding Spray Service	Church bugs	90.00	-
5/1/1998	1579	CCH	Utilities Commercial space	-	5,776.15 *
5/1/1998	1578	George Zauer	Return of Barber Shop security deposit	195.00	-
5/8/1998	1597	CCH	Utilities Commercial space	-	2,581.95 *
5/19/1998	1611	CCH	Gas Commercial space	-	282.10

SHASTA HOUSING DEVELOPMENT CORPORATION/COMMUNITY  
 REVITALIZATION DEVELOPMENT CORPORATION

SUMMARY OF CASH DISBURSEMENTS  
 JULY 1, 1997 THROUGH JUNE 30, 1999

CHECK DATE	CHECK NUMBER	PAYEE	DESCRIPTION	AMOUNT	
				VENDOR	CCH
5/20/1998	1632	Pauls Plumbing	Plumbing restaurant & church	200.00	-
5/20/1998	1634	Redding Spray Service	Church bugs	65.00	-
5/26/1998	1621	Kennedy Photography	Deductible for broken plate glass window	100.00	-
6/8/1998		CCH	Utilities & signs for building	-	2,666.59 Not Cleared
7/14/1998					
7/16/1998		Hughes Fire Protection	Commercial extinguisher	27.47	-
8/3/1998		Russell Cleaning	Water damage from broken pipe upstairs	200.00	-
9/1/1998		AC Plumbing	Hotel Sewer Lines	436.00	-
9/28/1998		Bob Moon	Lorenz Hotel Heating	353.49	-
9/28/1998		Bob Moon	Basement A/C	547.67	-
10/8/1998		CCH	Utilities Commercial Space	-	9,255.06 Not Cleared
10/8/1998		CCH	Utilities Commercial Space	-	2,869.21 Not Cleared
10/8/1998		Don Reynolds	Lorenz Audit 6/30/98 2nd billing	500.00	-
12/2/1998	1	Bob Moon	Split	921.47	-
12/2/1998	2	Giles Lock & Key Service	Maintenance Hotel	239.81	-
12/2/1998	3	Wagner Electric	Maintenance Hotel	494.00	-
12/2/1998	4	Don Reynolds	Professional fees	750.00	-
12/2/1998	5	Christian Church	Utilities Gas & Electric	-	2,683.91 *
12/2/1998	6	Jacques C. Williams	Taxes:Property	3,655.30	-
12/2/1998	7	Metraweld	Maintenance St. George	70.00	-
12/10/1998	8	Jacques C. Williams	Taxes:Property	3,695.49	-
12/10/1998	9	Wagner Electric	Maintenance Hotel	140.00	-
12/10/1998	10	Christian Church	Utilities Gas & Electric	1,400.00	-
1/13/1999	1001	Don Reynolds	Professional fees	1,588.75	-
1/13/1999	1002	Wagner Electric	Maintenance Hotel	679.00	-
1/13/1999	1003	Christian Church	Utilities Gas & Electric	-	2,500.00 *
1/13/1999	1004	Paul's Plumbing	Maintenance Deja Vu	100.00	-
1/13/1999	1005	Christian Church	Utilities Gas & Electric	-	2,400.00 *
2/20/1999	1006	Christian Church	Utilities Gas & Electric	-	4,300.00 *
3/12/1999	1007	Christian Church	Utilities Gas & Electric	-	6,000.00 *
3/15/1999	1008	Christian Church	Utilities Gas & Electric	-	3,500.00 *
4/8/1999	1009	Christian Church	Utilities Gas & Electric	-	4,000.00 *

**SHASTA HOUSING DEVELOPMENT CORPORATION/COMMUNITY  
REVITALIZATION DEVELOPMENT CORPORATION**  
SUMMARY OF CASH DISBURSEMENTS  
JULY 1, 1997 THROUGH JUNE 30, 1999

DATE	CHECK NUMBER	PAYEE	DESCRIPTION	AMOUNT	
				VENDOR	CCH
4/28/1999	1010	Bob Moon Heating	Maintenance Deja Vu	2,770.43	-
4/28/1999	1011	Paul's Plumbing	Maintenance Deja Vu	325.00	-
5/6/1999	1012	Shasta Housing	Misc.	421.27	-
5/13/1999	1013	Paul's Plumbing	Maintenance Deja Vu	100.00	-
5/13/1999	1014	Nicolet Glass	Maintenance Barber Shop	158.00	-
5/13/1999	1015	Don Reynolds	Professional fees	250.00	-
5/13/1999	1016	Christian Church	Utilities Gas & Electric	-	4,000.00 *
Total Checks Written				35,691.30	86,910.52
Additional Amounts					
Bank Service Charges				55.25	
11/1/1997	2185	City of Redding	Debt Service Payment	2,000.00	-
3/2/1998	1486	American Lock	Repairs	18.39	-
4/2/1998	1516	True Value	Repairs	30.14	-
5/19/1998	1612	ACME Hauling	Repairs	285.00	-
5/1/1998	1554	Enterprise Record	Advertising	72.50	-
5/1/1998	1557	Redding Record Searchlight	Advertising	127.40	-
5/1/1998	1571	Sacramento Bee	Advertising	148.44	-
10/15/1997	2144	VISA	Supplies	347.33	-
12/10/1997	2227	Jacque Williams	Property Taxes	3,094.45	-
Sub total				6,114.65	-
Totals				41,851.20	86,910.52
6/2/1997		City of Redding RDA	Loan Payment	5,000.00	
11/19/1997		City of Redding RDA	Loan Payment	5,000.00	
12/1/1997		City of Redding RDA	Loan Payment	5,000.00	
6/17/1998		City of Redding RDA	Loan Payment	5,000.00	
Paid through escrow					

SHASTA HOUSING DEVELOPMENT CORPORATION/COMMUNITY  
 REVITALIZATION DEVELOPMENT CORPORATION  
 SUMMARY OF CASH DISBURSEMENTS  
 JULY 1, 1997 THROUGH JUNE 30, 1998

DATE	CHECK NUMBER	PAYEE	DESCRIPTION	AMOUNT	
				VENDOR	CCH
		Total City of Redding		20,000.00	
		Not Cleared Amounts			20,859.11
		Additional Amounts			650.15
		Total to CCH			<u>66,701.56</u>
		Total to Others		<u>61,851.20</u>	

ATTACHMENT B

***DISTRIBUTION***

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Sacramento Multifamily Program Center, 9GHM  
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Christian Church Home of Northern California, Oakland, California