



Santa Cruz Branch Building Sale FAQs

Q: Why did Santa Cruz Community Credit Union decide to sell the building?

A: The decision to sell the building was made in order to support the credit union's not-for-profit, mission-driven goal to increase access to banking services for underserved and unbanked members of our community through its Member Access Plan. The Santa Cruz Branch building is quickly becoming obsolete in the context of changes in the financial services industry, customer/member preferences and the pending loss of all current parking spaces due to redevelopment projects planned and underway in Downtown Santa Cruz. The Member Access Plan is a progressive initiative that will enable more and better services to be provided to communities of color and low-income communities. Examples of services include:

- Non-traditional financing and low interest rates for mobile home residents and small businesses
- Services for documented and undocumented community members, including providing DACA Loans and Immigration Loans
- Affordable housing lending
- Micro-branches and more ATMs

Q: Is it true that the buyer is a luxury hotel developer from New York and that future profits associated with the property will go out of state to New York?

A: No. In fact, 90% of the investors in the purchase of the building are local community members from Santa Cruz County.

Q: How was the decision to sell made?

A: The decision was made by the Board of Directors, who have sole responsibility under California law to approve a decision to sell property owned by the Credit Union. The decision to sell is consistent with the Credit Union's Strategic Plan and was completed after a lengthy process of due diligence, analysis and disclosure to Credit Union members and regulators.

Q: Were Credit Union members informed of the intent to vacate the Santa Cruz Branch and sell the building?

A: Yes. Credit Union members were notified on multiple occasions since late 2019, through various means including a letter to all members from the CEO included in the 12/31/2019 financial statements, notices for annual membership meetings that spoke directly to the sale of the building, documents provided at annual membership meetings, verbal and powerpoint presentations at the annual membership meetings, annual meeting minutes, and the Credit Union blog on the website.

Q: Can the sale of the building move forward without a vote of the Credit Union’s members?

A: Yes. California law places decision-making authority on major fiscal matters, such as the sale of property, solely with the Board of Directors who hold fiduciary responsibility for the Credit Union. The Board of Directors, with support from Credit Union staff, conduct due diligence and analysis, receive input, and ensure Credit Union members are provided access to information regarding key decisions and milestones.

Q: Is the sale complete?

A: The sale is in escrow and is expected to close between now and September 30, 2021.

Q: Does the sale of the building support the Credit Union’s mission?

A: Yes. The mission of the Credit Union is to promote economic justice, something we achieve through progressive financial services and programs delivered to the underserved and unbanked in our community. The sale of our increasingly obsolete building provides vital funding to support our mission-driven Member Access Plan.

Q: What will the Credit Union do with the money raised from the sale?

A: First, the Credit Union will seek out a smaller space in downtown Santa Cruz that has better parking and sufficient space for a more appropriately sized branch (the current building has a lot of unused space we do not need.) Second, resources from the sale of the building will be used to support the Member Access Plan that was initiated five years ago. The goal of the Member Access Plan is to provide enhanced services to the Credit Union’s more than 14,000 members throughout the county. That goal will be met by pursuing five core strategies:

- Establishing services that provide additional “access” for low-income communities and communities of color in Santa Cruz County, including the communities of Live Oak and Pajaro.
- Adding micro branches and new ATMs to better serve members where they live or work.
- Service expansions including:
 - Affordable housing lending resources for mobile home residents and small businesses through non-traditional financing and low interest rates.
 - Services for documented and undocumented community members, including providing DACA Loans, Immigration Loans, and ITIN (in place of Social Security Number) loans and services.
- Improving digital resources for members, such as improved online applications for real estate, auto and equity lines, as well as use of electronic signatures.
- Expanding SCCCU’s financial literacy and economic justice resources to support financial stability and independence for members by providing information and alternatives to pay-day loans and more.

Q: Will the Credit Union still have a branch in Downtown Santa Cruz?

A: Yes. The Credit Union will maintain a presence in Downtown Santa Cruz through lease or purchase of a yet-to-be-identified, smaller and more efficient space that includes access to parking for members. The Credit Union will remain in its current location until the new location is identified.

Q: What role does the Credit Union play in how the land will be used by the buyer of the building?

A: None. The Credit Union has not been involved in the buyer's plans for future use and the Credit Union has no control over future use of the property, similar to how the seller of a home does not control what the buyer may do with the home in the future.

Q: Why isn't the Credit Union working to build affordable housing in its current location?

A: The Credit Union is not in the business of building housing or providing construction loans. The Credit Union contributes to addressing the affordable housing crisis in many other important ways, such as by offering non-traditional financing and low-interest rates for mobile home residents and others in the existing built environment. It would be irresponsible for the Credit Union to sit on the non-earning asset that is the Santa Cruz Branch building, when thousands of people throughout our community could benefit right away from the services we will be able to provide by selling the building. Further, choosing to stay in our over-sized and increasingly obsolete building, in order to support political aims related to development issues in Downtown Santa Cruz, would go against the interests of our members and come at the expense of staying true to our mission-driven effort to serve our unbanked and underserved members who live throughout Santa Cruz County.

Q: Some people have said recently the Credit Union is being sold. Is that true?

A: No. The Credit Union is not being sold, is not for sale and never can be. As a financial cooperative, the Credit Union cannot be sold. In fact, the Credit Union is growing, and according to the most recent annual audit arranged by the Supervisory Committee of the Credit Union, the Credit Union is financially safe and sound.

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