



# Administrative Report

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H.15., File # 21-2654

Meeting Date: 6/15/2021

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**To:** MAYOR AND CITY COUNCIL

**From:** CAMERON HARDING, COMMUNITY SERVICES DIRECTOR

## **TITLE**

APPROVE THE SUBSTITUTION OF TRUSTEE AND RECONVEYANCE OF THE REHABILITATION LOAN LIEN THAT IS IN PLACE ON 525 SOUTH GERTRUDA AVE, REDONDO BEACH, CA 90277.

## **EXECUTIVE SUMMARY**

The proposed action provides for the substitution of trustee and full reconveyance of the rehabilitation loan lien that is in place on 525 South Gertruda, Redondo Beach, CA. 90277. As part of the Deferred Loan Program agreement, the City of Redondo Beach recorded a lien on the property until the home repair loan was repaid. On July 29, 2019 the City received a cashier's check, drawn by First Republic Bank, in the amount of \$70,000 (seventy thousand dollars) to pay the outstanding Deferred Payment Loan, Loan/Escrow No. DL 2005-4, note in full.

## **BACKGROUND**

The owners of 525 South Gertruda Avenue, Redondo Beach, CA 90277, Walter Schonborg and Palmetta Schonborg, received a \$50,000 (fifty thousand dollar) loan on February 15, 2006 for housing rehabilitation work. This loan was made possible through a past City program, referred to as the Deferred Payment Loan Program, that provided low interest home improvement loans for qualifying low income Redondo Beach homeowners. The loan could be used to pay for roofing repairs, plumbing and electrical work, and bathroom remodeling. In this case the interest rate was 4% per year for ten years with the maximum amount of interest not to exceed \$20,000 if repaid at any time after the tenth year. The Deferred Payment Loan resulted in a lien on the property that would be removed from the property title once the loan was paid in full. As instructed by the Housing Department, on July 29, 2019, Laura Enander Harris, Executer and Trustee for the Estate of Palmetta L. Schonberg, paid the loan in full with a cashier's check made out to the City of Redondo Beach in the amount of \$70,000 (principle loan plus maximum amount of interest).

## **COORDINATION**

The Substitution of Trustee and Full Reconveyance agreement was prepared by the City Attorney's office.

## **FISCAL IMPACT**

None.

**APPROVED BY:**

*Joe Hoefgen, City Manager*

**ATTACHMENTS**

1. Substitution of Trustee and Full Reconveyance Agreement
2. Deferred Payment Loan Program Contract
3. Copy of the \$70,000 cashier's check