

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

3G-4

AGENDA ITEM SUMMARY

Meeting Date: June 17, 2008

Consent  
 Workshop

Regular  
 Public Hearing

Department: Office of Financial Management and Budget

I. EXECUTIVE BRIEF

**Motion and Title:** Staff recommends motion to approve a negotiated settlement offer in the amount of \$10,000.00 for the full satisfaction of a Code Enforcement Lien that was entered against Elvin and Luz M. Santiago on April 12, 2005.

**Summary:** The Code Enforcement Special Master (CESM) entered an Order on May 5, 2004 giving Elvin and Luz M. Santiago until September 2, 2004 to obtain building permits for enclosing the garage and back porch and adding A/C, electrical wiring and plumbing, a porch, shed, and driveway without proper permits. Compliance with the CESM's Order was not achieved by the ordered compliance date and a fine in the amount of \$50.00 per day was imposed. The CESM then entered a claim of lien against Elvin and Luz M. Santiago on April 12, 2005. The cited code violations were fully corrected as of September 5, 2007. The total accumulated lien amount through February 13, 2008, the date settlement discussions first began, totaled \$75,062.54, of which the Santiagos have agreed to pay the County \$10,000.00 (13.3%) for full settlement of their outstanding Code Enforcement Lien. (District 3) (PGE)

**Background and Policy Issues:** The initial violations that gave rise to this code enforcement case were for the enclosing of a garage and back porch and adding A/C, electrical wiring, plumbing and a porch, shed and driveway without required building permits. The Special Master gave Elvin and Luz M. Santiago until September 2, 2004 to obtain compliance or a fine of \$50.00 per day would begin to accrue. A follow-up inspection by Code Enforcement on September 15, 2004 confirmed that the property was still not in compliance. A code lien was then entered against Elvin and Luz M. Santiago on April 12, 2005. The Collections Section of OFMB was recently contacted by Elvin Santiago to discuss a settlement of their outstanding code lien. The Collections Section of OFMB, after careful review, evaluation, and discussions, agreed to present the proposed settlement offer in the amount of \$10,000.00 to the Board for approval.

(Continued on Page 3)


**Attachments:**

Recommended by:

  
Department Director

6/3/08  
Date

Approved by:

  
County Administrator

6/6/08  
Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

<b>Fiscal Years</b>	<u><b>2008</b></u>	<u><b>2009</b></u>	<u><b>2010</b></u>	<u><b>20011</b></u>	<u><b>2012</b></u>
<b>Capital Expenditures</b>	_____	_____	_____	_____	_____
<b>Operating Costs</b>	_____	_____	_____	_____	_____
<b>External Revenues</b>	<u><b>(\$2,600)</b></u>	<u><b>(\$2,400)</b></u>	<u><b>(\$2,400)</b></u>	<u><b>(\$2,600)</b></u>	_____
<b>Program Income (County)</b>	_____	_____	_____	_____	_____
<b>In-Kind Match (County)</b>	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<u><b>(\$2,600)</b></u>	<u><b>(\$2,400)</b></u>	<u><b>(\$2,400)</b></u>	<u><b>(\$2,600)</b></u>	_____

**# ADDITIONAL FTE  
POSITIONS (Cumulative)**

**Is Item Included In Current Budget?** Yes \_\_\_ No X  
**Budget Account No.:** Fund 0001 Department 600 Unit 6241 Object 5900

**Reporting Category** \_\_\_\_\_

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

**C. Departmental Fiscal Review:** *atwillhite 6.3.08*

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Dev. and Control Comments:**

*Dem [Signature]*  
 \_\_\_\_\_  
 OFMB

*N/A*  
 \_\_\_\_\_  
 Contract Dev. and Control

**B. Legal Sufficiency:**

*[Signature]*  
 \_\_\_\_\_  
 Assistant County Attorney

**C. Other Department Review:**

*N/A*  
 \_\_\_\_\_  
 Department Director

## Background and Policy Issues Continued

### Page 3

The mitigating factors considered during our review and evaluation are as follows:

1. The cited building code violations were not detected until after the Santiagos purchased the home. It appears that the previous property owner who lost the property to foreclosure in November, 1998, may have made the improvements. After the bank took ownership of the property in November, 1998, they quickly sold it to an investment group in April, 1999 which then sold it to the Santiagos. The Santiagos, once they were notified of the existing code violations on their property, hired an attorney to help them with the code issues. The seller who was the interim owner after the bank had agreed to help the Santiagos obtain the necessary architectural drawings to submit for the required building permits. After several delays and disagreements, plans were finally submitted to the Building Department on September 8, 2006 and the permit was issued on September 5, 2007, the date the code fines stopped accruing. Once the permit was issued and inspections were conducted, it only took a couple months for the Certificate of Completion to be issued. Had the Santiagos chosen not to get involved in a legal dispute with his seller and hired a licensed engineer or architect when initially cited, they would have most likely been able to avert the code lien that was placed against the property and which grew to a significant amount. It was only after Mr. Santiago told his eldest son about the code enforcement violations in the summer of 2007 that he immediately took control of the problem and addressed the outstanding issues that were holding up the issuance of the permit.
2. The Building Department listed the total value of the improvements at \$7,500.00
3. The subject property is the Santiagos' homestead property and the only property that they own.
4. The Santiagos have agreed to pay the County \$2,000 as a down payment on the proposed lien settlement amount followed by monthly payments in the amount of \$200.00 until the unpaid settlement balance is paid off. However, they are planning to pay off the settlement as quickly as possible.
5. The gravity of the violations, together with the fact that there were no life/safety issues involved, warrants consideration of a reduction of their substantial lien amount.

An Affidavit of Compliance has been issued by Code Enforcement and states that the cited violations were corrected as of September 5, 2007 and that the property is in full compliance with the CESM's Order.

Settlement offers that reduce any debt amount due to Palm Beach County by more than \$2,500 require the approval of the Board of County Commissioners, per Countywide PPM# CW-F-048. This settlement offer exceeds the \$2,500 limit and requires Board approval.

In light of the above stated circumstances, Staff believes that the proposed settlement is fair and in the best interest of Palm Beach County.