

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

36-3

AGENDA ITEM SUMMARY

Meeting Date: August 16, 2016

☒ Consent  
☐ Workshop

☐ Regular  
☐ Public Hearing

Department: Office of Financial Management & Budget

I. EXECUTIVE BRIEF

**Motion and Title:** Staff recommends motion to approve: a negotiated settlement agreement in the amount of \$12,000.00 for the full satisfaction of a Code Enforcement Lien that was entered against RHA 2, LLC a Delaware Limited Liability Company on June 3, 2015.

**Summary:** The Code Enforcement Special Magistrate (CESM) entered an Order on January 7, 2015 on property owned by RHA 2, LLC a Delaware Limited Liability Company (RHA 2) giving them until April 7, 2015 to bring the property located at 5116 Hartwick Lane, West Palm Beach into full Code Compliance. The property had been cited for alterations/renovations to the interior and exterior of the home and installation of a generator and HVAC all without the required building 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 RHA 2 on June 3, 2015. Code Enforcement issued an Affidavit of Compliance for the property on May 17, 2016 stating the code violations had been corrected as of May 12, 2016. The total accrued lien amount through June 15, 2016, the month in which settlement discussions began, totaled \$24,028.09, of which RHA 2 has agreed to pay the County \$12,000.00 for full settlement of their outstanding Code Enforcement Lien. District 2 (PM).

**Background and Policy Issues:** The initial violations that gave rise to this Code Enforcement Lien was for alterations/renovations to the interior and exterior of the home and installation of a generator and HVAC all without the required building permits. The Special Magistrate gave RHA 2 until April 7, 2015 to obtain the required building permits, or a fine of \$50.00 per day would begin to accrue. A follow-up inspection and check of permit records by Code Enforcement on April 8, 2015 confirmed that the property was still not in compliance. A code lien was then entered against RHA 2 on June 3, 2015. On May 17, 2016 an Affidavit of Compliance was issued stating that the cited code violations were corrected as of May 12, 2016 and the property was in full compliance with the CESM's Order. The Collections Section of OFMB (Collections) was first contacted by Tracy H. Lautenschlager, RHA 2's Attorney, on June 14, 2016 to discuss the outstanding code case and lien balance. Collections, after extensive review, evaluation, and discussions with Tracy H. Lautenschlager and Code Enforcement, has agreed to present a proposed settlement offer in the amount of \$12,000.00 to the Board for approval.

(continued on page 3)

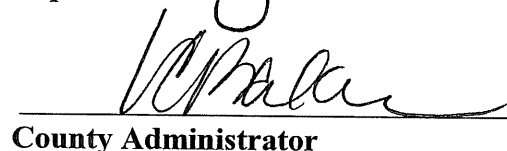
Attachments: none

Recommended by:

  
Department Director

7/28/16  
Date

Approved by:

  
County Administrator

8/5/16  
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

| Fiscal Years            | 2016          | 2017 | 2018 | 2019 | 2020 |
|-------------------------|---------------|------|------|------|------|
| Capital Expenditures    |               |      |      |      |      |
| Operating Costs         |               |      |      |      |      |
| External Revenues       | (\$12,000.00) |      |      |      |      |
| Program Income (County) |               |      |      |      |      |
| In-Kind Match (County)  |               |      |      |      |      |
| NET FISCAL IMPACT       | (\$12,000.00) |      |      |      |      |

# ADDITIONAL FTE  
POSITIONS (Cumulative)

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

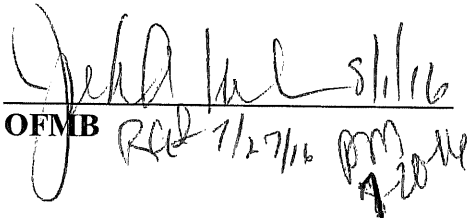
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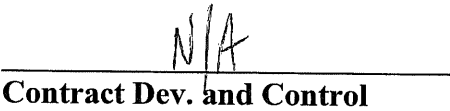
B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

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

  
OFMB REC 7/27/16 PM 4-20-16

  
Contract Dev. and Control

B. Legal Sufficiency:

  
Assistant County Attorney

C. Other Department Review:

\_\_\_\_\_  
Department Director

## **Background and Policy Issues Continued**

The factors considered during staff's review and evaluation of this settlement are as follows.

1. RHA 2 acquired the subject property at 5116 Hartwick Lane in West Palm Beach on May 13, 2014. The violations on the subject property already existed as there were several building code violations for alterations/renovations to the interior and exterior of the home and installation of a generator and HVAC, all without the required building permits and inspections.
2. RHA 2 hired their first contractor for this property in the late fall of 2014. This initial contractor appeared before the CESM on January 7, 2015 and made application for building permits on January 6, 2015, but soon after RHA 2 and the contractor parted ways. RHA 2 hired a new project manager in February 2016 and a new contractor in March 2016. The new contractor obtained all the required building permits by May 12, 2016 and they have all been properly completed.
3. Although RHA 2 was in regular contact with Code Enforcement throughout 2015, they did not have an experienced building project manager in place for South Florida until February 2016 which is when progress began to move quickly.
4. The code violations were all created by the former owner who lost the property in foreclosure and said former owner reported the violations to Code Enforcement.

An Affidavit of Compliance was issued by Code Enforcement stating that the cited code violations were fully corrected as of May 12, 2016 and that the property was in full compliance with the CESM's Order. Further, the cited violations did not involve any health/safety issues.

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

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.