

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

36-1

AGENDA ITEM SUMMARY

Meeting Date: September 27, 2016

☒ Consent

☐ Regular

☐ Workshop

☐ Public Hearing

Department: Office of Financial Management & Budget

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: a negotiated settlement in the amount of \$8,450.00 for the full satisfaction of a Code Enforcement Lien that was entered against 4 Prop LLC on December 2, 2015.

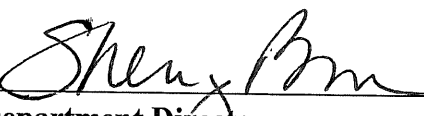
Summary: The Code Enforcement Special Magistrate (CESM) entered an Order on July 1, 2015 on property owned by 4 Prop LLC giving them until October 29, 2015 to bring the property located at 5541 Honeysuckle Drive, West Palm Beach into full Code Compliance. The property had been cited for structural alterations, installation of a wood and chain link fence, enclosure of a carport window and changing the use of the property from single family to multi-family, all without obtaining the proper permits, together with the expiration of existing re-roofing permits. Compliance with the CESM's Order was not achieved by the ordered compliance date and a fine in the amount of \$75.00 per day was imposed. The CESM then entered a claim of lien against 4 Prop LLC on December 2, 2015. Code Enforcement issued an Affidavit of Compliance for the property on March 23, 2016 stating the code violations had been corrected as of March 22, 2016. The total accrued lien amount through July 31, 2016, the month in which settlement discussions began, totaled \$12,945.42, of which 4 Prop LLC has agreed to pay the County \$8,450.00 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 were for structural alterations, installation of a wood and chain link fence, enclosure of a carport window and changing the use of the property from single family to multi-family, all without obtaining the proper permits, together with the expiration of existing re-roofing permits. The Special Magistrate gave 4 Prop LLC until October 29, 2015 to obtain the required building permits, or a fine of \$75.00 per day would begin to accrue. A follow-up inspection by Code Enforcement on October 30, 2015 confirmed that the property was still not in compliance. A code lien was then entered against 4 Prop LLC on December 2, 2015. On March 23, 2016 an Affidavit of Compliance was issued stating that the cited code violations were corrected as of March 22, 2016 and the property was in full compliance with the CESM's Order. The Collections Section of OFMB (Collections) was first contacted by Newmon Mathai on July 14, 2016, property manager for 4 Prop LLC, to discuss the outstanding code case and lien balance. Collections, after extensive review, evaluation, and discussions with Mr. Mathai and Code Enforcement, has agreed to present a proposed settlement offer in the amount of \$8,450.00 to the Board for approval.

(continued on page 3)


Attachments: none

Recommended by:


Department Director

9/11/16
Date

Approved by:


County Administrator

9/15/16
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$8,450.00)</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$8,450.00)</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:

III. REVIEW COMMENTS


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

9/1/16 John C 9/2/16
OFMB
9/1/16 9/1/16 9/1/16 9/1/16

N/A

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. 4 Prop, LLC acquired the property on September 17, 2013 at a bank foreclosure sale and was unaware that some of the cited violations already existed on the property. Once the code violations were cited, 4 Prop, LLC sought to hire a building contractor to begin closing out the numerous building code violations that already existed on the property. Shortly after their purchase, 4 Prop LLC hired a contractor to close out all existing code violations which required applying for several building permits.
2. From the time the violations were first cited through obtaining compliance with the CESM's Order, 4 Prop, LLC was continuously proactive in working to get the issues resolved and they were in regular contact with their Code Enforcement Officer.

An Affidavit of Compliance was issued by Code Enforcement stating that the cited code violations were fully corrected as of March 22, 2016 and that the property was in full compliance with the CESM's Order. Further, the cited violations did not involve any life/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.