

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

3G-2

AGENDA ITEM SUMMARY

Meeting Date: February 7, 2017

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 in the amount of \$50,000 for the full satisfaction of three (3) Code Enforcement Liens that were entered against Marcos Acevedo on September 3, 2008, August 4, 2010 and September 1, 2010.

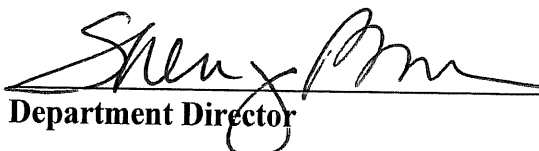
Summary: The Code Enforcement Special Magistrate (CESM) entered two (2) separate Orders resulting in three (3) Code Liens against Marcos Acevedo (Mr. Acevedo). The Orders gave Mr. Acevedo specific dates to bring the multifamily dwelling located at 4568/4572 Bensel Street, West Palm Beach into full code compliance or daily fines ranging from \$50 to \$250 per day would begin to accrue. The property had been cited for various property maintenance code violations. Compliance with the CESM's Orders was not achieved by the ordered compliance dates and fines began to accrue. The CESM then entered claims of lien against Mr. Acevedo on September 3, 2008, August 4, 2010 and September 1, 2010 as the violations had not been corrected by the ordered dates in each of the respective cases. Code Enforcement issued an Affidavit of Compliance for the property stating that the cited code violations were all fully corrected as of January 10, 2012. The total accrued lien amounts on December 9, 2016, the date on which settlement discussions resumed, totaled \$786,531 of which Mr. Acevedo has agreed to pay the County \$50,000 (6%) for full settlement of his three (3) outstanding Code Enforcement Liens. Palm Beach County has already received \$14,173.42 of this proposed settlement from the bank approved short sale of the Bensel Street properties. District 7 (SF).

Background and Policy Issues: The initial violations that gave rise to these Code Enforcement liens were for various property maintenance code violations. The Special Magistrate gave specific dates for compliance to be achieved or fines ranging from \$50 to \$250 per day would begin to accrue. Multiple follow-up inspections by Code Enforcement confirmed that the property was still not in compliance. Three (3) code liens were subsequently entered against Mr. Acevedo on September 3, 2008, August 4, 2010 and September 1, 2010. The Collections section of OFMB had been contacted several times over the past few years by Mr. Acevedo to discuss settlement of his significant outstanding code liens. The Collections section of OFMB, after careful review, evaluation, and several discussions has agreed to present the proposed settlement offer in the amount of \$50,000 (6%) to the Board for approval.

(continued on page 3)

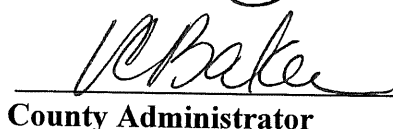
Attachments: none

Recommended by:


Department Director

1/18/17
Date

Approved by:


County Administrator

1/20/17
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$35,826.58)*</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$35,826.58)*</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

*Palm Beach County has already received \$14,173.42 of this proposed settlement

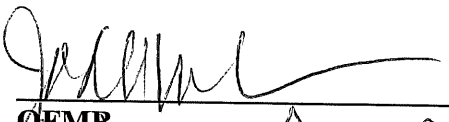
Reporting Category _____

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

C. Departmental Fiscal Review:

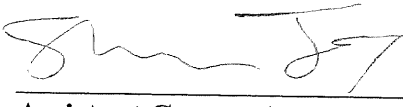
III. REVIEW COMMENTS

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

JL
11/17/17

OFMB
Red 11/17/17 m3
1/18
0000
1-17-17

N/A
Contract Dev. and Control

B. Legal Sufficiency:


Assistant County Attorney

C. Other Department Review:

N/A
Department Director

This summary is not to be used as a basis for payment

Background and Policy Issues Continued (Marcos Acevedo)

Page 3

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

1. The following are the violations which resulted in the three (3) liens being placed against Marcos Acevedo:
 - non-permissible auto repairs being done on the property
 - sidewalks, walkways and driveways in disrepair
 - inoperative vehicle storage
 - overgrowth of weeds
 - open outdoor storage of trash, auto parts, appliances and construction materials
 - fence in disrepair
 - interior of structure in disrepair
 - windows in disrepair, not in sound condition
 - electrical equipment, wiring not up to code
 - plumbing fixtures in disrepair
 - insufficient volume of running water
2. At the time the violations were cited, Mr. Acevedo was delinquent on the mortgage and the bank was proceeding with foreclosure. During the foreclosure, there was some confusion between Mr. Acevedo and the lender who was foreclosing as to who would be taking care of the open code violations. Since Mr. Acevedo was still the legal owner and the bank wasn't stepping in to resolve the code violations, Mr. Acevedo ultimately (albeit late) began taking corrective action to bring the property into code compliance.
3. Mr. Acevedo, after a lengthy foreclosure suit, lost title to the violating property on June 21, 2013. During the foreclosure, there were several legal issues that arose which delayed Mr. Acevedo from losing title and which kept it under his ownership much longer than normal. The lender at the end of the foreclosure proceedings agreed to allow for a short sale as they did not want to own the property due to the poor condition.
4. Mr. Acevedo is currently in the process of refinancing his new homestead property which he recently purchased with financial assistance from his father. The County will receive the remaining balance of this settlement once the bank refinancing is completed.

Affidavits of Compliance were issued by Code Enforcement stating that the cited code violations were fully corrected as of January 10, 2012 and that the property is in full compliance with the CESM's Orders. 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.