

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

36-2

AGENDA ITEM SUMMARY

Meeting Date: January 23, 2018

Consent

Regular

Workshop

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 \$36,000 for the full satisfaction of a Code Enforcement Lien that was entered against Somchai Dame on June 4, 2008.

Summary: The Code Enforcement Special Magistrate (CESM) entered an Order on August 1, 2007 for property owned by Somchai Dame giving him until December 29, 2007 to bring his property located at 1187 Kent Street in West Palm Beach into full Code Compliance. The property had been cited for the enclosure of a screened room without the proper building permits. Compliance with the CESM's Order was not achieved by the ordered compliance date and a fine in the amount of \$50 per day was imposed. The CESM then entered a claim of lien against Somchai Dame on June 4, 2008. Code Enforcement issued an Affidavit of Compliance for the property on January 20, 2016 stating that as of January 5, 2016 the cited code violations had been fully corrected. The total accrued lien amount on July 21, 2017, the date on which settlement discussions began, totaled \$246,524.91, of which Somchai Dame has agreed to pay Palm Beach County \$36,000 (14.6%) for full settlement of his outstanding Code Enforcement Lien. District 2 (SF).

Background and Policy Issues: The initial violation that gave rise to this Code Enforcement Lien was for the enclosure of a screened room without the proper building permits. The Special Magistrate gave Mr. Dame until December 29, 2007 to bring the property into full code compliance or a fine of \$50 per day would begin to accrue. A follow-up inspection by Code Enforcement on January 3, 2008 confirmed that the property was still not in compliance. A code lien was then entered against Mr. Dame on June 4, 2008. Code Enforcement issued an Affidavit of Compliance for the property on January 20, 2016 stating that as of January 5, 2016 the cited code violation had been corrected. The Collections Section of OFMB was originally contacted by Mr. Dame's representative in late 2016 and again most recently on July 21, 2017 to discuss settlement of his Code Lien. Collections, after extensive review, evaluation, and discussions with Code Enforcement and Mr. Dame's representative, has agreed to present a proposed settlement offer in the amount of \$36,000 to the Board for approval.

(continued on page 3)

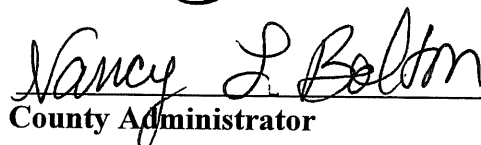
Attachments: none

Recommended by:


Department Director

1/4/17
Date

Approved by:


County Administrator

1/11/18
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$36,000)</u>	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$36,000)</u>	_____	_____	_____	_____

ADDITIONAL FTE
POSITIONS (Cumulative)

Does this item include the use of federal funds Yes _____ No X
 Is Item Included In Current Budget? Yes _____ No X
 Budget Account No. Fund 0001 Department 600 Unit 6241 Object 5900

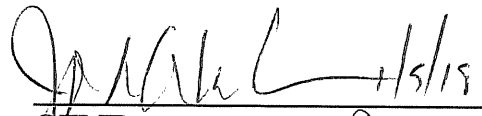
Reporting Category _____

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:

Jan 1-3-18

 OFMB
1/4/18
11/4/18
11/4/18
1-3-18

N/A
Contract Dev. and Control

B. Legal Sufficiency:


 Assistant County Attorney

C. Other Department Review:

N/A
Department Director

Background and Policy Issues Continued (Somchai Dame)

Page 3

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

1. The violation that resulted in a Code Enforcement lien being placed against Mr. Dame was for the enclosure of a screened room/patio without the proper permits. Mr. Dame had purchased the Kent street property as rental investment property on August 12, 2005 with the enclosure already in place. Mr. Dame was given about 1.3 years to resolve his code lien issue before the daily fine began to accrue.
2. Mr. Dame obtained quotes from a couple different contractors for what it would cost to obtain the required building permits to keep the converted room and the costs came in at around \$20,000. During this time in late 2007 and early 2008, Mr. Dame was having financial difficulties and the Bank initiated foreclosure on the property on July 29, 2008. Subsequently, Mr. Dame filed for personal bankruptcy protection in 2010 which delayed the foreclosure action and allowed the daily code fine to continue until such time that the bankruptcy case was completed. The Bank ultimately obtained title to the property on November 20, 2013 which is the date the daily fines against Mr. Dame ceased accruing.
3. Typically, bankruptcy discharges a debtor from their personal liability of liens and judgments, but liens still remain attached to real property and must be addressed if you retain ownership of real property after the bankruptcy discharge. Mr. Dame subsequently acquired another property after bankruptcy and needs to settle his outstanding code lien to clear title.
4. The building code violation was not a life safety issue. The enclosure of the original screened room was done by the prior property owners before Mr. Dame's ownership.
5. Mr. Dame intends to pay the proposed lien settlement amount from the sale of the cross attached parcel.

An Affidavit of Compliance was issued by Code Enforcement stating that the cited code violation was fully corrected as of January 5, 2016 and the property is in full compliance with the CESM's Order. Further, the cited violation 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.