

City of Coral Gables City Commission Meeting
Agenda Item I-3
March 29, 2016
City Commission Chambers
405 Biltmore Way, Coral Gables, FL

City Commission

Mayor Jim Cason
Commissioner Pat Keon
Commissioner Vince Lago
Vice Mayor Frank Quesada
Commissioner Jeannett Slesnick

City Staff

City Manager, Cathy Swanson-Rivenbark
City Attorney, Craig E. Leen
City Clerk, Walter J. Foeman
Deputy City Clerk, Billy Urquia

Public Speaker(s)

Alex Palenzuela, Special Counsel
Kolman Kenigsberg, Court Appointed Receiver

Agenda Item I-3 [10:59:24 a.m.]

Status update as to prosecution of court actions related to abandoned properties.

Mayor Cason: Now we move onto I-3, that's an update on the prosecution of court actions related to abandoned properties; and a status report on the Justice Advocate Program to follow.

City Attorney Leen: Yes. Thank you Mr. Mayor. Also, if you'd like we could do I-1 as well, we could get them all done, we could do all three at the same time. So I'll start with I-3 and I-4 and then I'll go to I-1. I-3 is the status update as to prosecution of court actions related to abandoned properties. This Commission has been very aggressive and I use that word purposely in addressing residences that are abandoned or derelict and are deteriorating. This Commission has passed a number of ordinances that goes to quality of life in our residential communities, including the abandoned property ordinance, the squatters ordinance, the second abandoned property ordinance, the forfeiture ordinance, and I can go on, there are probably seven or eight. We've asked Special Counsel, Alex Palenzuela, and if you can come up Mr. Palenzuela, to assist

us in prosecuting cases related to these abandoned properties. Typically, these are properties where they are in foreclosure and where a bank is a mortgage holder. Sometimes the bank is the actual owner, and the City has been suing banks basically to get them to fix up these properties in accordance with our Code. I just want to be clear to you, we've always worked with the banks if we can. We've always asked them to repair the property, we've always sent letters before we file suit. If they come to us and they want to work the matter out, we have always worked the matter out.

Commissioner Lago: Can I ask you a quick question in regards to that.

City Attorney Leen: Yes.

Commissioner Lago: I know that Commissioner Keon has brought this up on several occasions. We've been working with these banks for some time, but its my impression that the banks haven't been working with us in reference to the fact that these properties have been blighted. For example, the property behind on U.S.-1 and Granada, on the corner, I drive by there, visiting a resident the other day and they live on that street, and one of the first things that came out of their mind, that home's been abandoned for I think six years. Again, it has a fence that's falling down, its an eyesore for a very nice and beautiful neighborhood. It gets to the point where, we keep working with these banks, but the banks do the bare minimum just to get by.

Mayor Cason: You want to talk to that.

City Attorney Leen: We'll have him in a second, but Mr. Mayor, I just wanted to say, we have a list that you have with all the properties. As to that specific property, which Special Counsel will talk to, we have the Receiver here, we did have a Receive appointed.

Commissioner Lago: And I wanted to just add one last thing and that was, where we are today from what we were two years ago, I mean its completely night and day, but there are obviously those, I think two dozen homes that are, probably a dozen or two dozen...

City Attorney Leen: There are over 20 properties on the list, but a number of them have been removed based on the Commission's action.

Commissioner Lago: Twenty or so homes which are the most critical ones, which we were at, I think 100 or...

Mayor Cason: Which is good because we have 17,000 homes, so that puts it into perspective.

Commissioner Lago: Yes, it puts it in perspective.

City Attorney Leen: Just so you know. There were a couple hundred homes, as I recall, this is just an estimate on the abandoned property list. There are still a number of homes on the abandoned property list, because to be on that list all you have to do is be in foreclosure. It doesn't mean you are deteriorating.

Commissioner Lago: Yes, but a lot of those homes – when you consider what we were going through two years ago, a lot of those entities or individuals have come into compliance with the City, but you still have, like you said about 20 homes which have not come into compliance.

City Attorney Leen: We have a special list, which if Commissioners raise the issue with us or residents, of houses which are abandoned and they are in a state of disrepair, they are deteriorating, we targeted these list. Its called the Commission's List of Abandoned Properties, for lack of a better name, that's what we called it, the Commission's List, and we focus on these properties.

Mayor Cason: And the City Manager and I...

City Attorney Leen: Mr. Mayor, if I may. We look at, one, we look at whether we can deem an unsafe structure and demolish a property; two, we look at whether we can bring an injunction action, which Alex helps us with, and he's about to talk to those; three, we look at whether foreclosure or forfeiture is an option; four, we look at having Receivers appointed through an injunction action. So we look at every possible option with the goal of fixing these properties. And with that, if I may, Mr. Mayor, I'll turn it over to Special Counsel and also then to the Receiver.

Mr. Palenzuela: Good morning Mayor, morning Commissioners. Of the 24 properties on the list, 15 of them are not fully compliant yet; three were just added recently, and so the City has been able to work with the banks or the owner to some degree for most of them, but only four court actions had to be filed. Three of them have been resolved favorably, have been closed. The only one that's still open and pending is 5626 Granada Boulevard, but that one was complicated by the fact that there was a quiet title action by someone who is trying to acquire the property. The bank and the City had, after an appealed was filed, decided to stay the appeal to allow the Receiver that the court ended up appointing, because none of the parties did correct the violations in time, to hire a contractor to complete the structure. And so, there is a hearing on April 1st in that case. This morning the court denied a motion for continuance that the bank filed at the last minute, and at that hearing we fully expected the court will authorize a Receiver to enter into a construction contract to complete the single family home swimming pool. The cost

of that is \$600,000, so the bank is not going to put in their own bid, but they were concerned about that, so they were asking for a continuance to decide how to – what position to take at the hearing, which is unacceptable so the court denied it.

City Attorney Leen: The City is not paying that. That's not for the City to pay.

Commissioner Lago: Let me just ask a quick question. If you just educate me, because again, I'm not at the courthouse steps, so I don't know exactly what's going on. How long has this property been abandoned for, would you say?- six years?- five years?

Mr. Palenzuela: Well the violation began, I want to say, in 2008, and the City was maintaining it for a long time. It was added to the list some time, I want to say, in 2014, and the court case was filed in January of last year, and so the City obtained its injunction and then it obtained a second order appointing the Receiver, also added parties, obtaining a second injunction against them. It has taken a few months to get the contract because, as the Receiver can explain, the way its structured because this is not an income producing property, the City had to find someone who was willing to do the work and be paid in receiver certificates, which they would get paid if the property is sold where they could foreclose on the receiver certificates. So there was only one responsible and responsive contractor who was willing to do that work.

Commissioner Lago: Let me ask you a question, just knowing your background. When a property of this quality and magnitude on Granada is abandoned for six years and is in foreclosure, don't most of these properties go to auction at a certain point where the bank has to make the decision whether they are going to buy the property back or if they are going to let it go for a certain amount, if it meets whatever their formula is?

Mr. Palenzuela: The first foreclosure was filed in 2008, and it was eventually dismissed. There was a defense raised regarding whether or not the statute of limitations had run, and that issue in the injunction action the bank is concerned they can't even sell the note because they are not sure about their lien, etc., but they did refile the foreclosure. Unfortunately, the bank is now prosecuting the foreclosure quickly. I intervened in the foreclosure action and transferred it to the same Judge who appointed the Receiver, and last month we obtained an order from the court, or earlier this month, I should say, requiring the bank to go ahead and file an amended complaint adding the parties that had already intervened. So the bank is now quickly prosecuting the foreclosure.

Mayor Cason: On a number of these, you've written on, no homes Homestead Exemption claim, that's important because....

Commissioner Keon: Because you can't foreclose on...

Mr. Palenzuela: You can't foreclose on City...

Mayor Cason: So that's the reason, that means we can move ahead.

Mr. Palenzuela: Yes. The City can obtain an injunction regardless of whether or not the property is Homestead, but I put that on the list of the City Attorney's request to make it clear that some properties are however not, most of these are not because they are vacant, but some of them are occupied by the owner or the owner is fixing it up.

Commissioner Lago: We were very clear, this Commission was clear through the Mayor that we don't want to push people out of their homes. We wanted to work with people, we wanted to help people if they had an issue, let's say with a roof and a blue tarp, somehow, someway figure it out so they can stay in their homes. The property that we are chasing down that we've been able to resolve are the issue are investment homes, like that property on Granada, which has been abandoned since 2008. No one is living in there because right now nobody can live in that home. I don't even think it has – its not in any shape in the interior to allow for....

Mayor Cason: Is the price of reaching these agreements basically eliminating all the fines, it looks like it, it looks like a \$5,000, they start at a million and they pay \$5,000, is that basically what we have to do to have an incentive for everybody to...

Mr. Palenzuela: Well those are on a case-by-case basis and it depends really on the status of the liens, the efforts made to comply the history of non-compliance, whose applying for the reduction? Generally, the City gives a very generous reduction to someone who is going to come in as a third party to cure someone else's violations because they acquired.

Mayor Cason: If we didn't do it, they might not, is what I'm saying, is that sort of the entry fee?

Mr. Palenzuela: It could be an impediment.

City Attorney Leen: Yes. In my experience they are often the impediment to the property basically being transferred, which keeps the property just sort of in limbo.

Commissioner Lago: Yes, but I think that also, and I wanted to ask your advice on this, your opinion, is the issue of, I think that is already been a known fact...that if you purchase a piece of property that has a million dollars, let's say, in liens that that entity, that governmental entity is going to relax or reduce that fine, so there isn't much of an incentive from the owners who are

currently in foreclosure to correct the issue and the banks say its not a big deal, we'll resolve the issue and that City or that municipality is just going to pennies on the dollar accept what we offer.

Mr. Palenzuela: Well the way I handle....

City Attorney Leen: I'd like to respond to that too.

Mayor Cason: Most of them look like they are \$5,000 or \$10,000.

City Attorney Leen: We do two different things, I'm sorry Mr. Mayor, we do two different things. If the property is in foreclosure and we have a large lien, let's say we have \$100,000 Code Enforcement lien, which is basically a fine, its not for work that's been done by the City, its for a fine for failure to comply. The City has \$100,000 lien that's in foreclosure, its very likely that that lien is not worth very much, because typically it will be, its whenever its recorded and other things will take precedents, usually a mortgage for example will take precedents...

Commissioner Lago: It all depends on what condition its in.

City Attorney Leen: Yes. Now, in situations where we have or where that lien is worth something, so for example, let's say a buyer comes and says, we want to buy this property, there is a \$100,000 lien, we agree to make it better. We will reduce the lien in order to allow it to be transferred, but we do it within an agreement with the new buyer that basically says, if they don't come into compliance within a certain amount of time, depending on the amount of work, that all the liens get put back. So its basically a suspension of the lien. If they bring it into compliance then we remove the liens other than what they've already paid. If they don't bring it into compliance, its similar to an acceleration clause in a mortgage. We put all of the liens back and they all come due.

Commissioner Lago: My statement was not based on the individual or entity that's going to purchase a property and come to an agreement with the City. My statement is geared toward the person who owns the property or entity or bank that owns it right now that does not view the current revolving financial implications of a lien on a property to be any motivating factor in regards to resolving the issue. They just say, I'll just sit there and just let it accrue interest because someone is going to buy the property and someone is going to negotiate with the City and that lien will go from \$100,000 to \$5,000.

Mr. Palenzuela: If I may address that. What I do is I prepare a partial release of the lien so that the property itself is released and any fines that – because we cite immediately when there is a

new owner, so those fines they'll negotiate them and they'll be released. The fines against the prior owners who didn't do anything to maintain the property or not, people or entities that will seek to acquire property in the County, they'll come up and then they will have to come in for a reduction and pay whatever fine to the City...

Mayor Cason: Do we lien all of the properties they own?- if its an investor and they have 15 homes and this is one of them, haven't we done that Craig, put a lien on all of their homes...even if they get away with...on this home, we have liens on the others.

City Attorney Leen: What our Code used to say was that, if you own the property, if you are the owner of the property that's in violation the lien only attach to that property. If you were not the owner of the property it would attach to all properties you have in Dade County. We've amended that provision of the Code. So now these liens attach to all your properties in Dade County. What happened with banks is that if we recorded a lien against the bank, because the bank wasn't the owner, it would legally attach to all of their properties in Dade County, because they were not the owner, is that what you did Alex, as I recall?

Mr. Palenzuela: They are called "spreaderings" they attach to any non-exempt, its not in the statute, but that's the effect, real and personal property of the violator, the named violator in the case, so once that's recorded it will follow the violator for twenty years until the lien expires.

Mayor Cason: I'm happy that you haven't exempt the garbage fees, they go out on the tax bill, I've seen...I'm very happy.

City Attorney Leen: Thank you sir.

Commissioner Keon: But I think prior to last year, we didn't have, we didn't take action against the banks who were the holders of these mortgages, because we didn't have the legislation to support our doing that. I think its only been about a year, a little over a year...

City Attorney Leen: Maybe a little over a year.

Commissioner Keon: A little over a year that we have had the legislation in place to be able to go after the banks and to do it and to file.

Mr. Palenzuela: The original ordinance was adopted in 2011, but in 2014 the City amended it to strengthen it and actually began enforcing it.

Commissioner Keon: So it wasn't until 14 that we really had the ability, that we actually had the mechanisms to go after the banks or the mortgage, whoever had the mortgage-holder, the

responsible parties, so up until that time the only thing we did was continue to lien and lien and lien, and the people had abandoned the home, I want to tell you they weren't paying the liens, they didn't much care; and the banks have so many on their books and so much on their books they didn't really care either.

Mayor Cason: It seems like we've gotten their attention and the tools that we've developed over the last couple of years are actually working. On the surface it looks like it would be easy, but as you read through here all of these steps, 15, 20 steps on each of these homes you have to go through in the end to get conclusion.

Mr. Palenzuela: Some of them are in bankruptcy...

City Attorney Leen: One thing we are looking at that I want to discuss more with the City Manager and Code Enforcement, but one concern I've always had is that, I don't want these fines to grow so large to \$2-\$300,000, there are a lot of issues with that. First you in a sense have a claim for \$2 or \$300,000, but its usually not worth \$2 or \$300,000, and it can cause these properties to go into this sort of limbo. So one thing I wanted to look at was, when properties get over a certain amount, which the City Manager and I will discuss, maybe we start bringing injunction action as to those too right away or put some additional tools in the Code to allow us to focus on those properties. So in a sense, the way we'll prevent them from going up in terms of their lien is to actually take enforcement action against them.

Mayor Cason: It would be nice to know if you can do some research on how many of those we have, unless you read the Code Board's minutes, we don't know how many homes have million dollars of liens.

City Attorney Leen: Well one thing that we are looking at...

Commissioner Slesnick: We do have some that have really high liens, but there is a difference between a lien for the garbage, which is now great that we have it as a lien on the taxes, but between the amount of money that the City expends on maintaining that property as versus Code Enforcement fines.

Mr. Palenzuela: Yes, the special assessment.

Commissioner Slesnick: Yes, and so I wanted to ask, is there any way to at any time lien some of those Code Enforcement fees, because like the 903 Granada Groves, is it 903 Granada Groves Court, I see that its cleared up now, its gone off my laptop. There is \$375,000 worth of Code Enforcement fines on there, but its been settled.

Mr. Palenzuela: That property was purchased at a bankruptcy sale and so it was sold free and clear of any liens that attach...

Commissioner Slesnick: Because that house was only worth \$300-and-something thousand.

Mr. Palenzuela: Right. Then whatever proceeds there were the City's liens would have attached to those proceeds.

Commissioner Slesnick: But I'm just saying, Granada Groves Court is only like a block long street in North Gables, but the rest of the residents on that street live for like 8 years with blue tarps on that house with the yard overgrown, with rusty metal in the front, with the wall falling partially down, with trees overgrown. For almost ten years the neighbors lived with that and now its been sold, but can't we do anything to change that?

Commissioner Keon: We have.

Commissioner Slesnick: It finally sold, so it finally sold, but you mitigated all the fees.

Mr. Palenzuela: Actually that one was not mitigated.

City Attorney Leen: That one we got what we could get, right?- we got the special assessment.

Mr. Palenzuela: Well the thing is with the bankruptcy the property was sold free and clear and then it was an involuntary bankruptcy, but the personal debt was discharged, so then it won't attach to other things that it hadn't already attach to. For example, any other property owned by those...

Commissioner Slesnick: 2806 is coming up; and 2806 has a lot or used to have a lot of fines because it was somewhat mitigated back about 8 years ago.

City Attorney Leen: Correct me if I'm wrong. On this one there is a court order that was entered by the court that says that any liens that we have would continue to receive the same legal effect, once the sale is completed. Now we did receive compensation, is my understanding, that we are receiving compensation for our special assessment liens.

Mr. Palenzuela: Right. In the partition action...and so the City liens will attach. The assessment gets paid by both of the owners, but any old Code Enforcement liens would attach to only half of the property because of the partition.

Commissioner Lago: Mayor if I may, just a quick question, I wanted to see what staff is doing. With these 20 homes that are currently in the position that they are in, that you are representing us right now, have we contacted the banks after we've done our own analysis to see if those properties would fit into the pocket parks that we are looking at potentially purchasing and saying, before this gets out to the courthouse steps, what does the bank want in reference to allowing us to purchase the property, and I think that's a great opportunity for the City, again, as long as they are not Homestead properties, that they are just investment properties, the City can potentially purchase some great pieces of property as either future leverage to sell, or as a pocket park, and to continue what this Commission has done in the past, which is purchase properties so we can build those and get as much parkland as possible. Are any other cities doing that?

City Attorney Leen: I'll answer and then I'll turn it over. The City Manager has asked us to do that. We've put together a list of the properties with the highest Code Enforcement liens. We are coming forward to you next Commission meeting with one of those properties for a forfeiture action. It was going to be on this agenda, but we pulled it and we should have pulled it because we needed to add a little bit more information regarding – we wanted to make it clear-cut and the Manager said this too. We want to make it clear-cut to you, because I remember the Vice Mayor and we put together a resolution saying what the policy of the Commission was, we wanted to make it, so we are going to have a PowerPoint for you, we are going to show the pictures, there are a lot of liens on this property. So we are going to present to you a property to seek a forfeiture of, which would – a forfeiture means its different than a foreclosure. Foreclosure means they owe us money and we have a lien and we are foreclosing on the lien. A forfeiture means there has been wrongdoing here, the bank or whoever we are forfeiting, sometimes it could be a number of parties, but the bank hasn't complied with the law. They've been reckless in a sense not complying with the law, and that's not the standard we have to show, but its similar, I'm just trying to explain. So they've not been following the law, they've been ignoring the law, OK, fine, the court's going to take it from them through a forfeiture, similar to a criminal forfeiture which is done, there is a state asset forfeiture law, which Judge Reyes, former Judge Reyes helped to draft. He drafted one for the City which this Commission adopted and then we did a resolution with a policy of when we would bring those forfeitures to you. So we are going to be bringing one soon. Also, we are – I know the City Manager raises me all the time, is this one that we can foreclose on or do a forfeiture, so we've basically been doing that over the last couple of months, and I know there are a number of properties that are coming before you.

Commissioner Lago: And the reason why I bring that up, Mayor if I may, because when I run into residents and I know that we all run into residents on a daily basis, I've had several of them tell me, listen, like Commissioner Slesnick just mentioned, I live with this blight for five years,

ten years, eight years, like the resident told me on Granada this past week. Can the City do anything about this?

Commissioner Keon: But we are.

Commissioner Lago: I know. I know. I know. But I'm saying, I know we are doing it and I know we amended the ordinance in 2014 and we've been extremely aggressive and the list has gone down significantly to two dozen homes right now, and I commend staff and you for doing that, but I'm saying is, they ask, can we do anything to make that into a park?- or can the City purchase it?- and see how maybe we can just continue to build on what we've been doing over the last year, which is again, like we did on Lisbon, like I think it was one of Vice Mayor Quesada's initiatives was the two pieces of land that we purchased on Alhambra, people really want that. They want those types of passive opportunities where people can sit and enjoy their neighborhood, and I see that property on Granada as an opportunity where we could acquire that piece of property, either sell it, sell it for market rate...

Commissioner Slesnick: To buy parks.

Commissioner Lago: And then use that money to buy parks or whatever it may be.

Mayor Cason: So you are looking into that.

City Attorney Leen: Can I just say Mr. Mayor, because the Receiver is here. We are going to try to go forward with that one for example. At this point, we are seeing if someone will purchase the Receiver certificates and Mr. Receiver could you come up and speak? Tell the Commission a little bit about what you are doing with that particular property. I just want to say for purposes of the record and the Commission, we did – that's a property we would be interested in pursuing forfeiture of, but we are not, we are holding off because we've asked for the court to appoint a Receiver and the Receiver has come forward with something that could fix the property up in a way that it would be a very nice single family home.

Mr. Kenigsberg: Its been a long arduous trail. We had people interested in buying the notes from the bank; the bank wasn't responsive.

Commissioner Slesnick: Excuse me, the address, is this Granada we are talking about?

Mr. Kenigsberg: 5626 Granada.

Commissioner Lago: Let me ask you a question and I'm sorry to interrupt you, you just started your presentation, but I want everybody to have information that I don't have. When you say people were interested in buying the note from the bank, when you say interest, will the bank say today, we want \$500,000 for that piece of property, that's an arbitrary number, I just made that up, we want \$300,000 for that property, whatever it is, does the bank give you an exact number sale price for that piece of property?

Mr. Kenigsberg: No, they haven't.

City Clerk Foeman: Excuse me sir, can I get your name for the record.

Mr. Kenigsberg: Kolman Kenigsberg.

Commissioner Lago: So every single person that's...

Commissioner Keon: He needs to give his address.

Commissioner Lago: Can you give your address sir.

City Attorney Leen: He doesn't have to give his address. He is speaking as the Receiver.

City Manager Swanson-Rivenbark: Yes, but at this point we can only identify him as Mr. Receiver and so for the purpose of the minutes we need to state the name.

City Attorney Leen: Madam City Manager but he doesn't have to give his address. Would you just give your name and your official title?

Mr. Kenigsberg: Kolman Kenigsberg, I'm the Director of Litigation Support and Fiduciary Services at KW Property Management in Doral. I'm the Receiver for this property at 5626 Granada. I was appointed ten months ago, at which point I approached the bank to see what price they were interested in selling their note at. They were non-responsive for several months. I had an interested investor approach them, make them an offer. They did not respond.

Commissioner Lago: OK. Getting back to my question. I appreciate the background. Ten months, that property has been there since 2008. What I really want to find out and what I really need assistance on is what is the sale price?- because as you can tell, I've been to one auction at the courthouse steps, one time, just happen to be in the area and I wanted to see how it was. I've never bought a property. My understanding, correct me if I'm wrong, the bank has a threshold and the bank wants X for a property. Its not X plus 1, they will sell at X, and that's why

sometimes from what I've heard, properties don't sell because investors don't want to offer X. So what I'm asking you is, how can we find out what is the number that the bank wants?

Commissioner Keon: They have to tell you and they are not telling you. What you are saying is we are asking you and they are not saying.

Commissioner Lago: I'm getting to my point. I'm getting to my point.

Mr. Kenigsberg: In this situation they've been totally non-responsive until we T'd up this contractor who was willing to fund the construction and the repair of the home and satisfy all of the violations and at that point the bank expressed interest and then tried to delay our hearing which was scheduled for this Friday, in order to get another appraisal. They did get an appraisal; the appraisal came in at a \$1.4 million...

Commissioner Lago: For the lot.

Mr. Kenigsberg: For the property and the structure.

Commissioner Lago: As is.

Mr. Kenigsberg: As is. We've T'd up a contractor whose willing to fund \$600,000 to finish the house. That in mind, the original owner showed up and said, well at this point, the quiet title is in court, the foreclosure is maybe a year away, I would like to finish the house myself. We asked the Judge to enter a motion that requires a time specific for completion of the house. The Judge did so, and Mr. Palenzuela tried to deny their attempt to delay this hearing and he was successful. So the hearing will go on Friday. We will present our case to the Judge. The bank will try and delay it again. The original owner will try and delay it again, but I think at this point the Judge realizes that time has passed and something has to be done, so we are hoping to have success on Friday and start construction drawing permits immediately on Monday.

Commissioner Lago: Let me ask you just one last question. What is the name of the bank?

Commissioner Keon: JP MorganChase.

Commissioner Lago: I just want to put that on the record.

Mr. Kenigsberg: The current iteration of the original lender.

Mayor Cason: OK. Let me ask just a general question. Is there any other policy tools that would be helpful as we move forward? Do we have the legislation in place that we think now will allow you to do it?- or is there anything else that we haven't...

City Attorney Leen: Mr. Receiver would it be helpful or maybe I should ask Alex who is our counsel, to do a resolution to present to the Judge or to the Commission that we view this as a significant quality of life issue for our residents and its just been too long.

Mr. Kenigsberg: I think you are well represented by Mr. Palenzuela and the Judge does understand that this is a time sensitive issue.

Commissioner Lago: Well we have great representation. He's done an incredible job like we mentioned, but I have two big concerns. You have a temple directly behind this piece of property, I mean literally a stone's throw away, where there are children and its expanded at temple. There are a lot of children in the area that walk there and you have Ponce Middle School, which is a stone's throw away. If you go there around 2 in the afternoon, 3 o'clock, you see hundreds of children in that area. Again, I'm not saying that children are getting into that property, but there is always an opportunity for something to occur there and I want to make sure that...

Mr. Kenigsberg: Its very disconcerting.

Commissioner Lago: Yes, it's a problem. It could be a problem and then what ends up happening is when it is a problem we stand up here and we are like, wow, we should have done something, its been eight years.

Mr. Kenigsberg: Our neighbors don't understand that it takes time to get these things T'd up and done.

Commissioner Lago: Just one last comment, I'm sorry. Just to show you, the resident I met with this week is not an issue, when you tell them, when you try to make them understand, they do understand, they just are tired of hearing the rhetoric, they are tired of it.

Mayor Cason: You can let us know after next week what happened; and Craig, back to my question, is there anything else in terms of legislation that would be helpful or would more or less cover everything?

City Attorney Leen: We have a lot of tools at this point. What I will do is come back to you at the next meeting when I will think about what you just asked and see if there is anything else that we could do.

Commissioner Slesnick: I'd really like to see us re-enforce our existing laws and expand on them so that it doesn't take more than two or three or four years to alleviate this process. Granada's one of our main boulevards. We have a lot of tour buses on there every day and it's a north-south road, really one of our showcase streets, and to have something like that sit on the corner for eight years is ridiculous. If there is anything else Alex, if you can think of ways that we can strengthen our ability to work with some of these foreclosed or get the homes forfeited.

Mr. Palenzuela: I think the City of Coral Gables has the strongest Code Enforcement ordinances I've seen.

Commissioner Lago: In the state.

Mr. Palenzuela: And we need to make sure of that, the City adopted its own unsafe structures ordinance, so I can't think of anything that you could do that you haven't already done.

City Attorney Leen: We did an unsafe structures ordinance, we did a special assessment ordinance, we did a number of these property ordinances.

Mr. Palenzuela: You've increased the fines now that you are over 50,000 in population.

City Attorney Leen: Yes, we did a false claims ordinance, like an applicant comes and then they basically say they are going to do something and abandon the property, we could always pursue that too.

Commissioner Slesnick: There are ways to try to secure some of funding from the Code Enforcement fees, which seems to be mitigated down to nothing.

City Attorney Leen: I have a concern about that though, and the concern is that the Commission has always told my office that the goal is compliance, and fines can sometimes get in the way of compliance, sometimes they can help with compliance. But usually it's the mitigation that gets them to comply.

Commissioner Lago: The issue there it just becomes unattractive for someone to purchase a property, when you have to purchase a property and pay \$3-\$400-\$500,000 in existing fines.

Commissioner Slesnick: I want to speed up the process of the banks putting those properties for sale or are taking them over because of the excessive fees.

Commissioner Keon: Well, I think until 2014, until this Commission in 2014 proposed and adopted the legislation allowing and having Special Counsel to actually take action on these properties against the banks, the only tool that was used prior to 2014 was fines, it was to fine, and to fine, and to fine; and this Commission said, you know what, just fining isn't doing anything because the only thing that's happening is that the fines are building and building and there is no resolution or any relief for the neighborhood living with this eyesore. So in 2014, despite that it may have started in 2008, prior Commissions didn't do anything about it. In 2014 we did, and we passed legislation that gave us the tools to be able to go after the banks. This is the first time in the history of this City that since 2014 that we actually went after the banks on these properties that have been abandoned and attempted to resolve this, and I know its hard for residents to understand how long it takes, but what we need to do is help to educate the public as to the legal process. I'm sure that Commissioner Quesada could tell you being in court, doing land deals, how long it takes to get something done. It is an exceedingly lengthy time period to do these. But you have to also respect that the banks have financial issues tied up in these, they don't want to let go of an asset, they don't want to write an asset off of their books, so there are a lot of legal issues to get to move these, and it takes time to move them. But we do now have the tools in place to be able to go after them and we are.

Mayor Cason: I think we have the tools in place, you look at all the steps you've taken, its very complicated, and there are all kinds of obstacles can be in the way, but the fact that we only have 20 out of 17,000 is great, and we are never going to get rid of all of them, but its important also for the residents if they see a house that they think is starting to fall into this category to let us know.

City Attorney Leen: Also on squatters, Mr. Mayor, the City, as far as I know the City doesn't have any squatters right now. Whenever we find out about one we immediately seek their removal through the squatter's ordinance. I'd like to thank the City Manager for assistance with that and also Code Enforcement and Police. One thing though, there is one thing that I've been thinking about bringing to you and I know the Manager has supported this as well, which is these larger fines. You know there are times when fines can help and that's when you have a significant life safety issue, or when you have the issue with that mansion party or things like that, or the issue with people, the whole thing about the water that was draining and people pulling up their sewer caps, you know there are significant fines and Cathy actually got me thinking about this. Because we are a City now of over 50,000 people we can charge those very large fines. So one thing I've been thinking of, in addition to the issue regarding banks in terms of seeking injunctions against them and things like that, but if there is a finding by the

Commission of a forfeiture, if it rises to that level, another thing we can do other than forfeiture is a very large fine to the bank for basically recklessly or pervasively failing to comply with the Code related to a property, which is causing a life safety issue. If you are asking me for an ordinance, the one thing we haven't done is, we still have those very small fines, they are daily fines and for a person they can be a lot, but for a bank its often not a lot. So that's another thing to think about. We could talk about it and maybe we could present you with legislation.

Mayor Cason: Well come back and if there is anything else we need, but thank you for what you are doing.

Mr. Palenzuela: And if I may address Commissioner Slesnick's concern. The City is very cognizant of not allowing violators to reduce the fines when they are at fault, and also keep in mind, it has to be done on a case-by-case basis because a lot of times the fines have been accruing, but maybe they hadn't been attached to the property because of pending litigation or they are not secure because there is no equity and the fines come in behind the mortgage, which is already more than the property is worth, so really it does make sense to work with the person who is coming into the fix the violation to give them a sizable reduction on the fines.

City Attorney Leen: I will tell you that one thing we are thinking about is with these very large fines to look at forfeiture foreclosure, and so next week you'll see, one's going to come before you. I'm working with the City Manager its at our level. We are going to present it to you for finding. I think you'll be pleased and you may see some more of those coming forward in the future.

Mayor Cason: Thank you very much.

Commissioner Keon: We would know by after the hearing on Friday, you will get some determination on this particular property from the court.

Mr. Palenzuela: We'll immediately report to Mr. Leen as we always do with a copy of the order from the Judge.

Commissioner Keon: And you'll let us know. Good luck.

City Attorney Leen: Would you prepare a report – the one thing I think could be helpful and I think you could say this, unanimously the Commission is asking the court through you to take action right away, because this is just going on too long, its hurting our residents; and then two, could you prepare a report to all of us, just send it directly to me and to the Commission and to the City Manager right after the hearing.

Mr. Palenzuela: I don't think its necessary. I don't think it would hurt, the Judge is fully aware and I think he's concerned also that his orders have been ignored and he wants the Receiver to give effect to those orders, and so we should get a favorable ruling on Friday. There may be competing proposals that aren't right to put before the court and they may get it ready in time. The parties have until tomorrow to file...

City Attorney Leen: I think the resolution would be helpful in the sense that he may be asked to get more extensions of time and often lawyers try to be very reasonable here. On this particular issue, asking the court just the City's position that we want action at that hearing, I think a resolution would be useful.

Mayor Cason: Alright. Let's have a motion.

Commissioner Lago: I'll make the motion.

Mayor Cason: Commissioner Lago makes the motion, Commissioner Slesnick seconds. City Clerk.

Mr. Palenzuela: And if I may, I'll need that by tomorrow no later because there is a 48-hour cutoff...

Mayor Cason: You'll have it today. City Clerk.

Commissioner Keon: Yes

Commissioner Lago: Yes

Vice Mayor Quesada: Yes

Commissioner Slesnick: Yes

Mayor Cason: Yes

(Vote: 5-0)

Mayor Cason: Thank you.

Commissioner Lago: Thank you to the both of you. I appreciate...

City Attorney Leen: With great respect to the Judge. We are just telling you we can't agree to anymore extensions.

Mr. Palenzuela: Understood.

Commissioner Lago: Thank you gentlemen. I appreciate it.

Commissioner Slesnick: Thank you.

[End: 11:38:52 a.m.]