



Regulatory Services

(Housing, Construction Code Services and
Development Review)

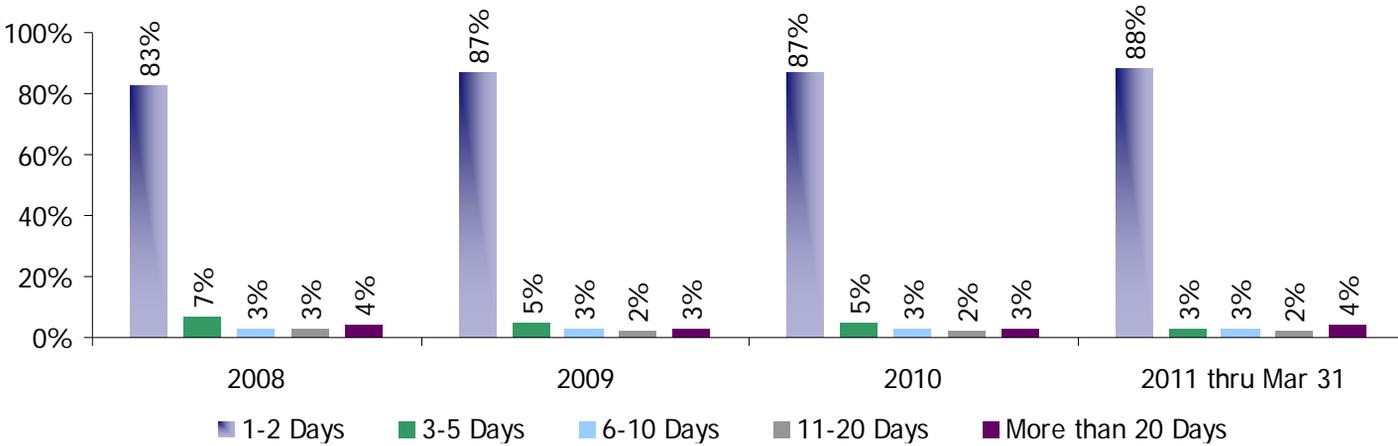
June 28, 2011

Table of Contents

Regulatory Services

Performance Measures	Page
1. Number of days to issue permits	3
2. Percent of permits processed via web	4
3. Citywide value of building permits	6
4. Commercial and residential permits issued by ward	9
5. Construction code inspections completed within standards	10
6. Unpermitted construction work violations by ward	11
7. Vacant and boarded buildings	12
8. Rehabilitations and demolitions	20
9. Fire Inspections Services inspections and cases 	21
10. Permits issued by fire inspection services 	22
9. Housing inspections and cases	23
10. Rental properties inspections and violations	25
11. Enforcement of rental properties	27
Appendix	
<i>Resident Survey measures</i> 	29
Top 25 service requests and percent meeting service level agreement	30

Number of days to issue permits



This chart includes New Building, Remodeling, Building Over the Counter, Soil Erosion, Wrecking, Plumbing, Mechanical, RPZ (Reduced Pressure Zone), and Elevator

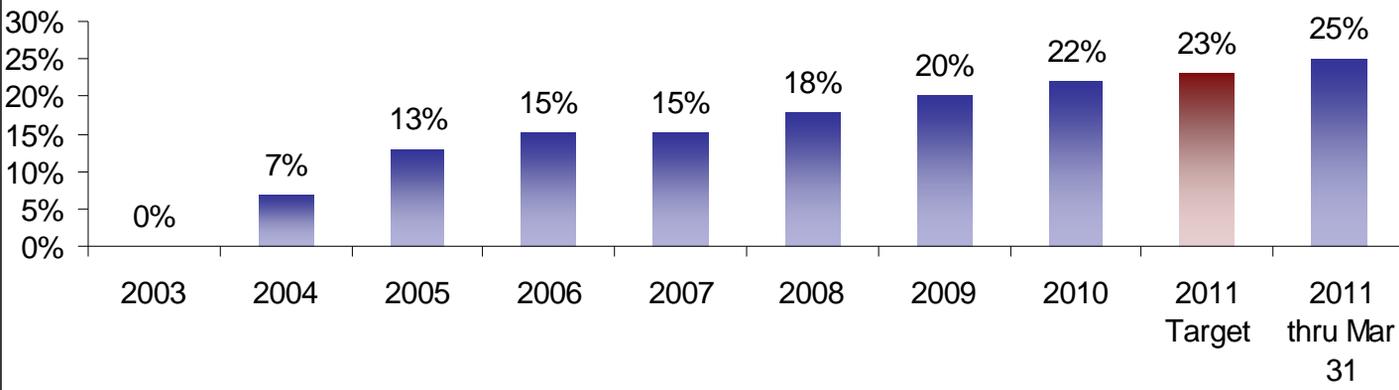
Why is this measurement important?

Time is money to our customers. The chart above is a measurement to identify how efficient Minneapolis Development Review is processing permits for its customers. Currently 88 percent of our customers are benefiting from one or two day service.

What will it take to achieve the target?

Minneapolis Development Review has established a target of 85% of permits to be issued in 1-2 days. We continue to reengineer our process to improve customer service. Currently, we have a pilot project for concurrent reviews with our Community Planning and Economic Development and Construction Code Services partners. The pilot is limited to those projects that have completed Preliminary Development Review. The pilot program will reduce the overall number of days to review a plan. After evaluation of the pilot program we are looking to expand to other types of projects. We currently exceed our target and will continue to monitor the process.

Percent of permits processed via the web (total)



Why is this measurement important?

The ease and convenience of obtaining permits online enhances the services we provide our customers. Currently, some permits not requiring a plan review may be acquired by contractors online. Permits available online include street use, plumbing, and simple building permits on 1 & 2 dwelling unit properties. Further expansion of the online permitting system to include mechanical permits for furnace and air conditioner replacement has been postponed pending a new land management system.

Despite the lack of expansion to the online permitting system given the limitations associated with the current land management system, the number of permits processed via the web for the first quarter of 2011 has exceeded our 2011 target by 2 percent and our total percentage from 2010 by 3 percent. This increase in online permitting can be linked to better customer education efforts including quarterly online permit promotions in the service center as well as expedited response to 311 cases associated with online permitting. Our customers would like the flexibility and convenience of electronic plan submission, but this is also dependent on a new land management system with additional flexibility. The opportunities to expand online offerings include annual renewals such as rental licensing, competency cards, and business licenses.

What will it take to achieve the target?

We will not be able to expand on our target with the current land management system. Minneapolis Development Review conducted a survey with the customers who do not use online permitting. We have found a variety of reasons why customers do not use the system including: credit card limits, limited knowledge of technology, hesitation to use the system, preferred faxing or mailing due to paper trail, internet interruptions and other technological problems, or increased use of property flags such as historic preservation that deter them from using the system on a regular basis. Minneapolis Development Review will continue to educate its customers about online permits. Promotions will be done quarterly. And we also will assist our customers through 311 requests or when customers sign up to use the system.

Unfortunately, there continues to be significant limitations with the functionality of our current KIVA software. We implemented online street use permits (dumpsters and storage containers) in January 2009. In August 2009, the KIVA software was upgraded to the new Payment Card Industry (PCI) compliance standards. Our next effort will be in adding mechanical permits for furnace and air conditioner replacement. However, this expansion is on hold until a new land management system is in place. In addition, this expansion will require changes to City Ordinance and existing business process.

Currently, the following permits are available online:

- Plumbing (Plumbing Fixtures)
- Water Heater – Replace
- Water Meter
- Gas Meter
- Gas Fixtures – Fireplace, Stove, Dryer
- Exterior Structure Maintenance (Carpentry Exterior)
- Masonry Work
- Roofing – Tear Off
- Siding – Repair/Replace
- Stucco/Plaster Repair/Replace
- Window Replacement
- Street Use permits for dumpsters or storage containers (Street Use)

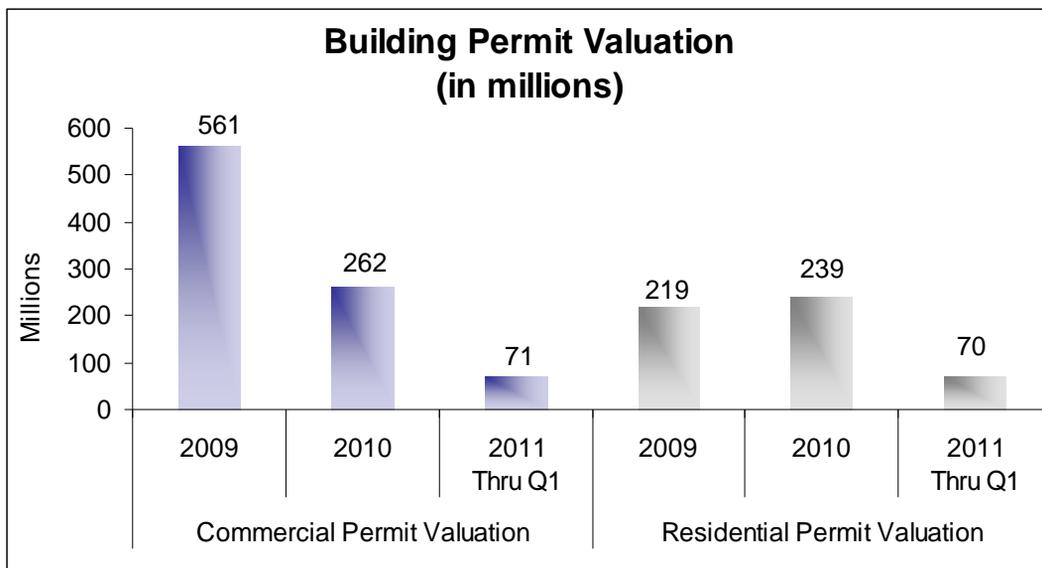
Citywide value of building permits



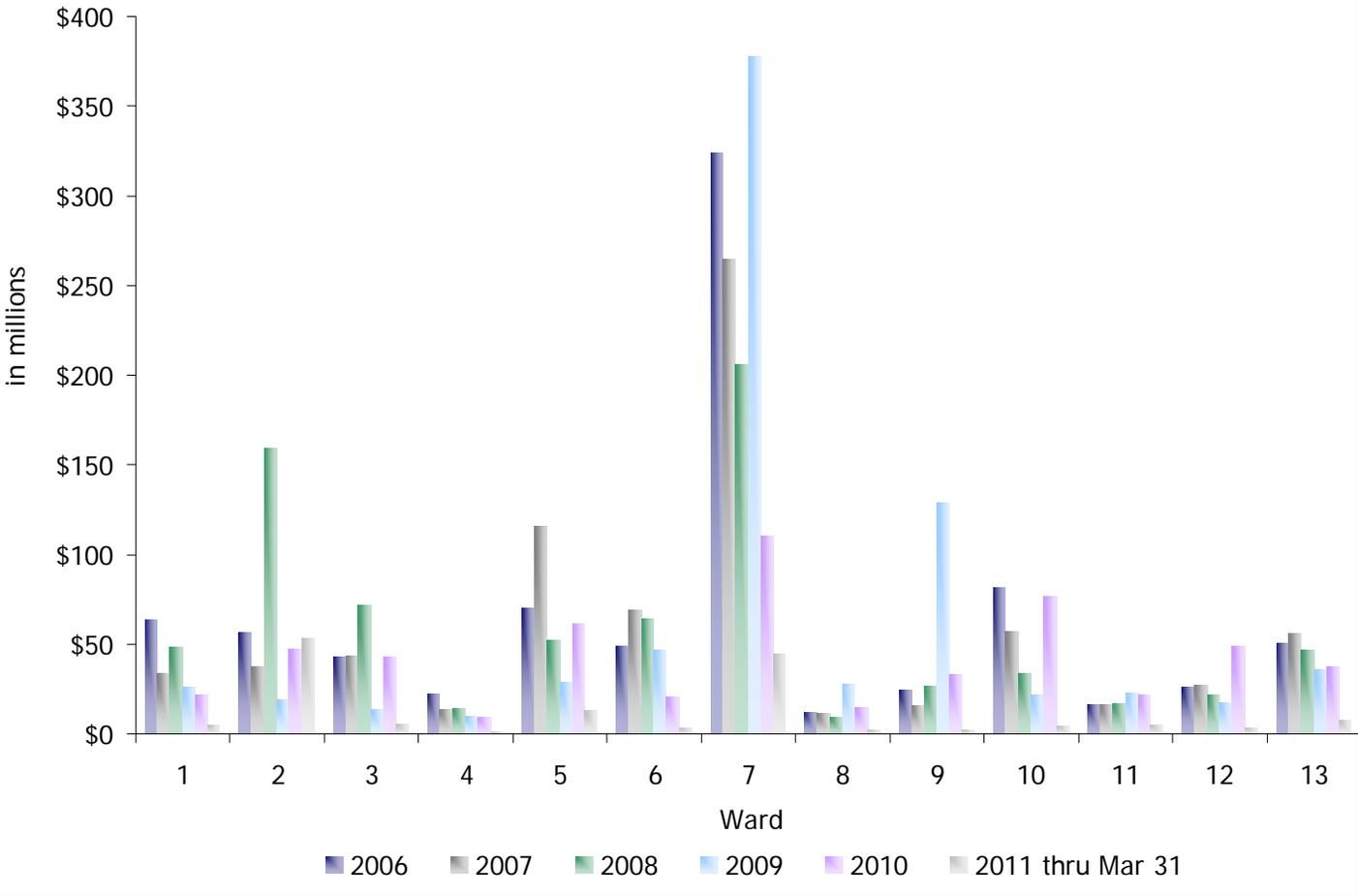
Why is this measurement important?

Construction Code Services (CCS) and Minneapolis Development Review (MDR) partner in the issuance of construction related permits. Construction activity is a key indicator of the economic vitality of the city. In conjunction with the number of permits issued the value of the work is an important indicator of economic activity as well. The information in the charts is separated by year in some cases and by ward in others. Monitoring this activity will provide opportunities to evaluate construction activity throughout the city.

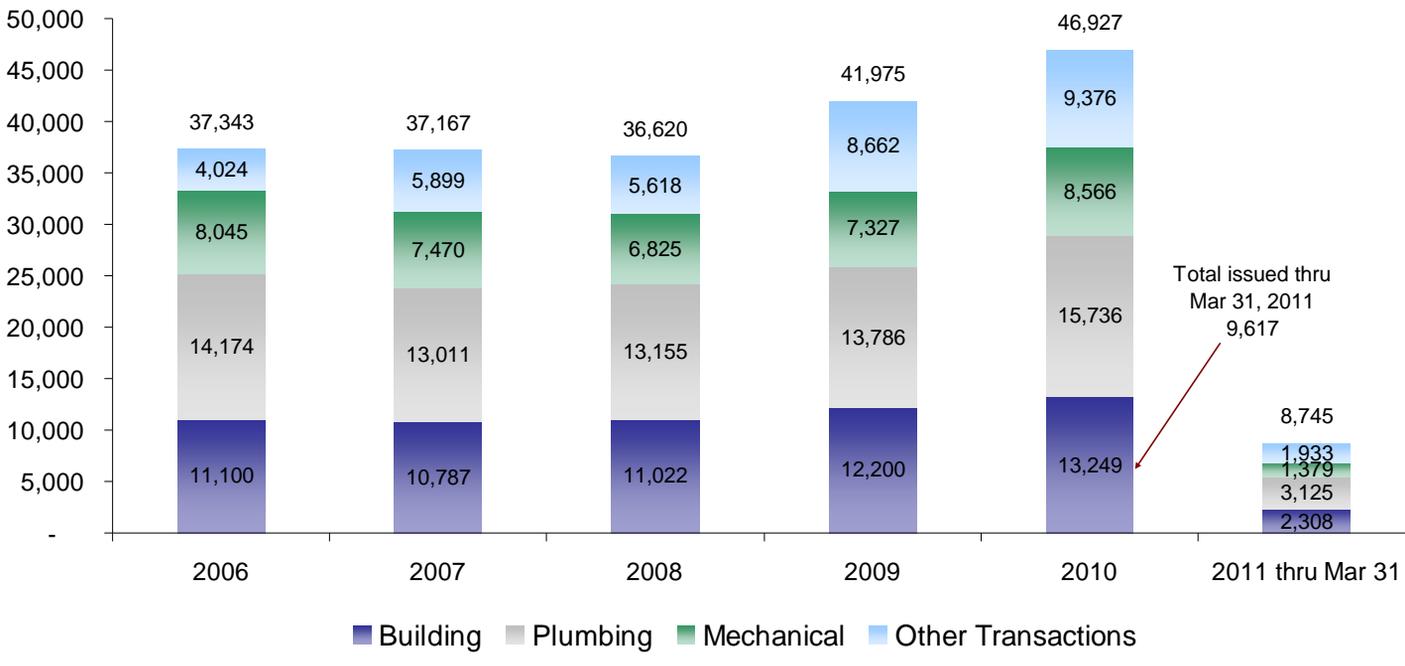
The City of Minneapolis has consistently demonstrated an investment in new buildings and remodeling. Typically, construction trends follow economic trends. Although the economy is unpredictable, the valuation year-to-date is \$71 million more this year compared to last year. The Riverside Plaza project contributed \$48 million in valuation in the first quarter 2011. This trend indicates that people are still investing in the city, even in times of economic uncertainty. We are beginning to see large projects come through such as apartment buildings and commercial additions. The fees that are generated will be reinvested in the department as well as contributing to the City's general fund.



Valuation of building permits by ward



Number of permits issued by type

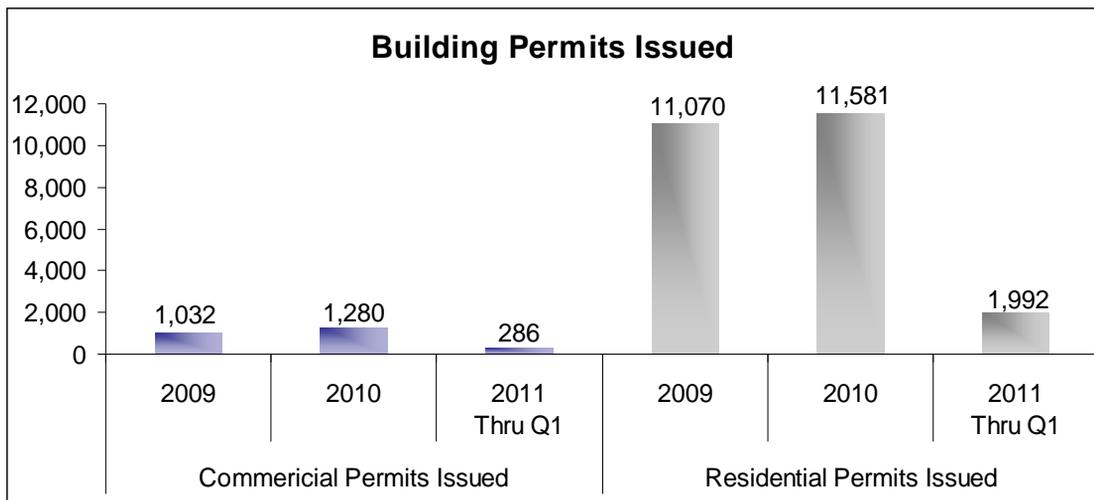


Why is this measurement important?

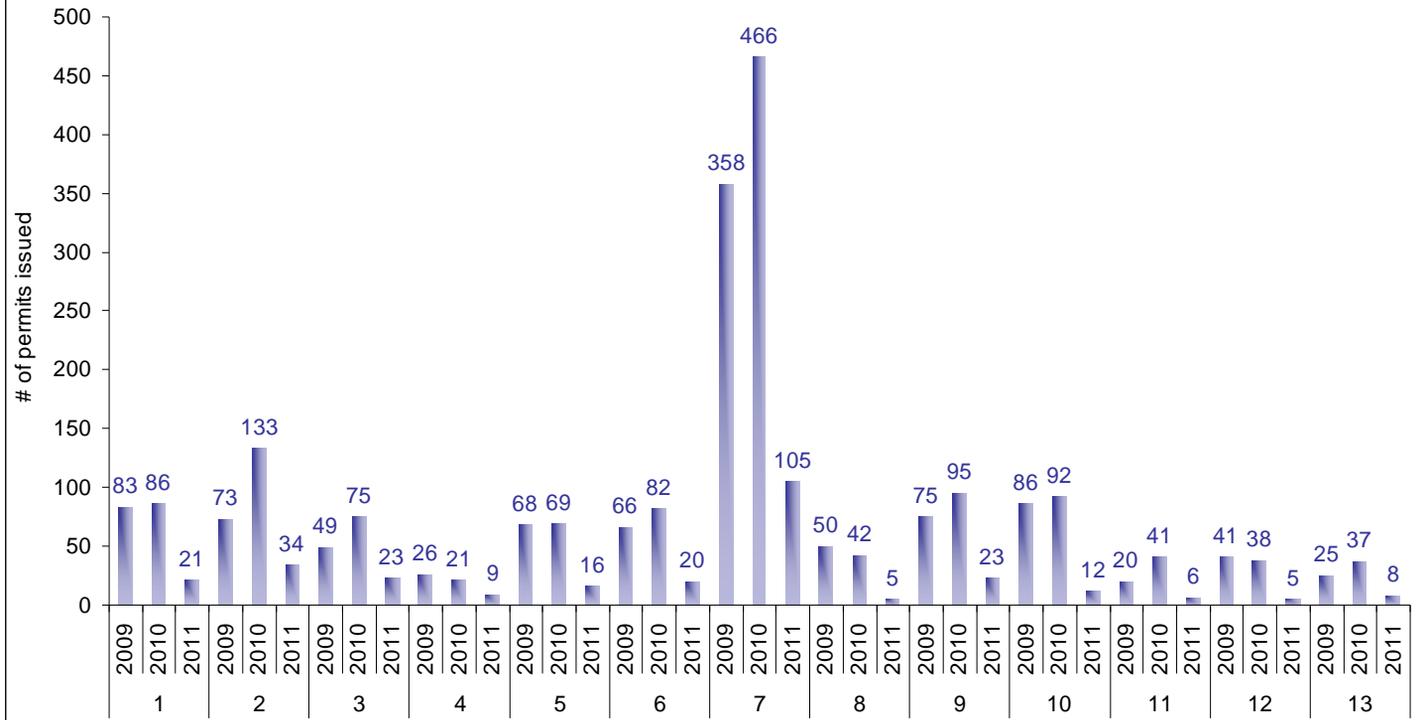
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What are we doing to make to make progress?

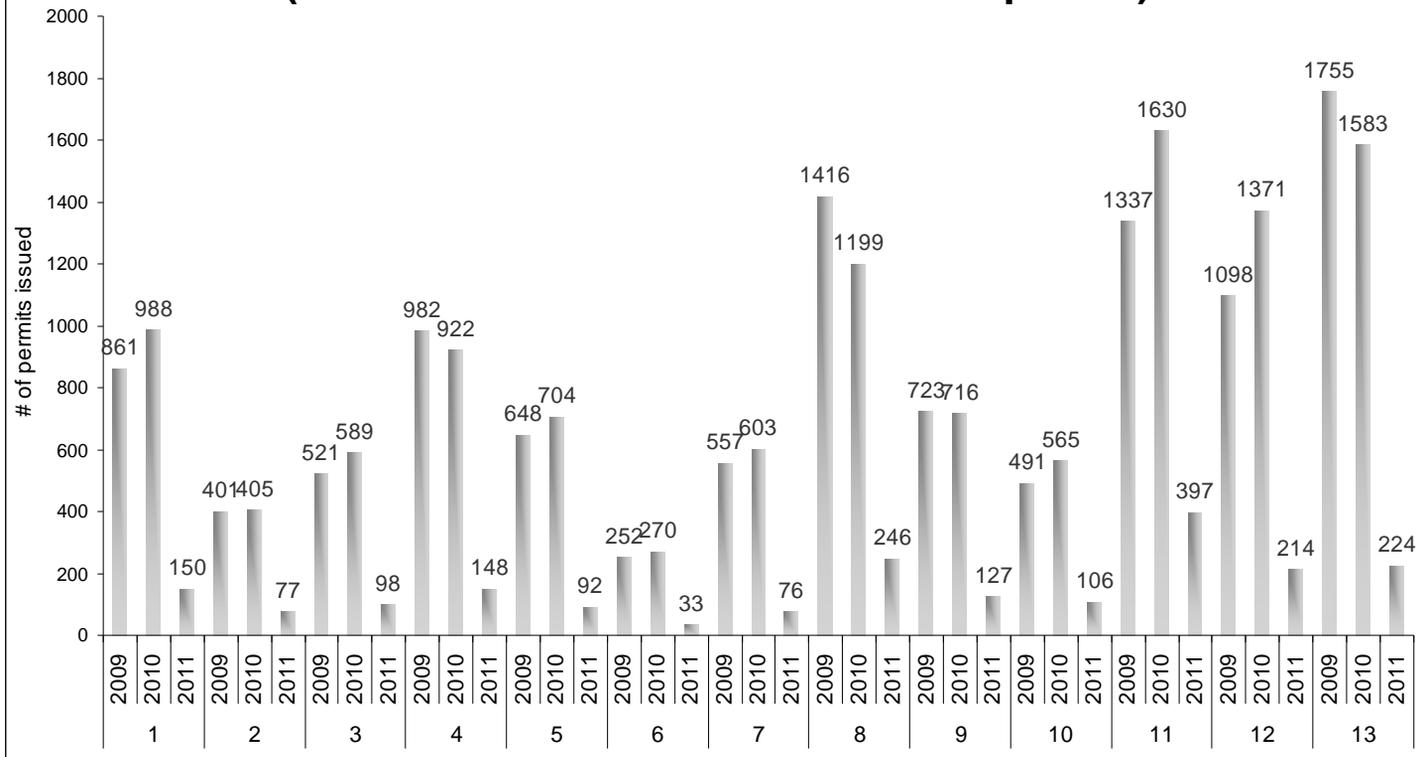
Minneapolis Development Review strives to serve all customers. We have expanded our service center to include Critical Parking, pet licenses, encroachment applications, and a kiosk for sidewalk customers. Critical Parking has increased our volume by 2,500 transactions per year. In addition, the customer has the convenience of paying with a debit/credit card where previously they did not have this option. We look to expand our services by partnering with other City departments to move towards a multi-faceted service center.



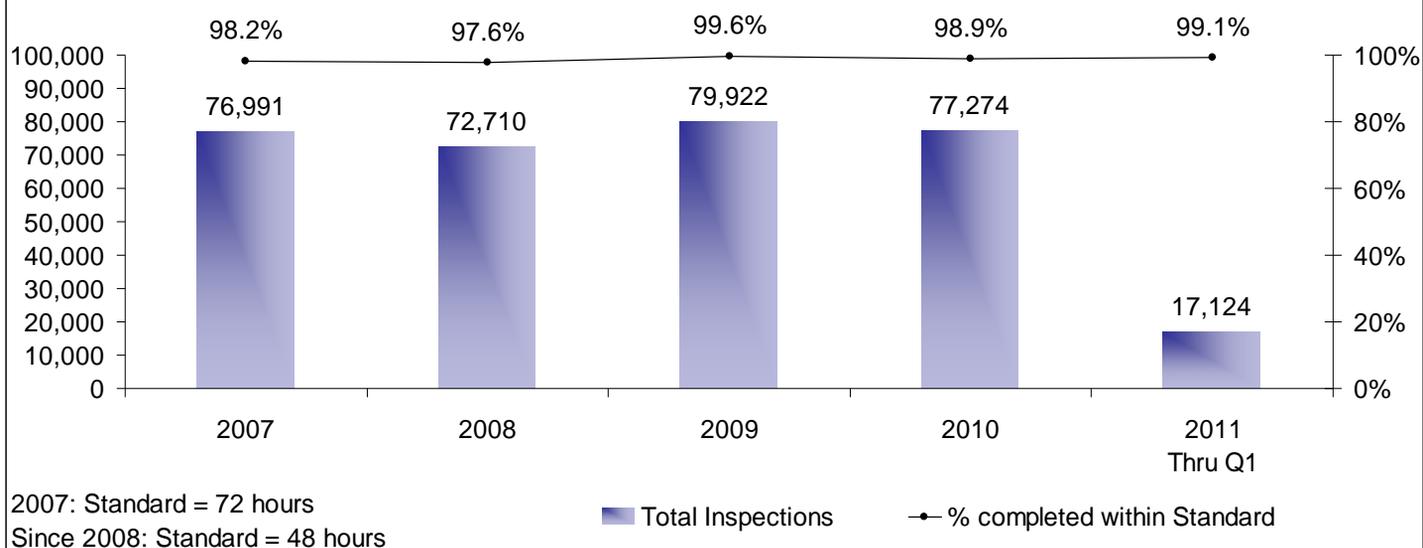
Commercial building permits issued by ward (2009/2010 Year End and 2011 1st Quarter)



Residential building permits issued by ward (2009/2010 Year End and 2011 1st quarter)



Number of construction code inspections completed within standard



Why is this measurement important?

Construction schedules are challenging and delays can cause problems in maintaining the schedules and completing work in a timely manner. Customer satisfaction can be greatly influenced by how quickly an inspection can be completed. The goal of Construction Code Services (CCS) is to provide inspections for customers within 48 hours of the request for the inspection. It is important to all customers to be able to keep projects on schedule whether it is a homeowner building a deck or a large commercial contractor building a new building. CCS currently provides inspection service within 48 hours of the inspection request over 95 percent of the time.

Prior to 2005, CCS did not track response time to inspection requests. A standard was first implemented in 2006. The goal was set to respond to inspection requests within 72 hours of the request. In 2008, the standard was changed to correspond with an established national standard of 48 hours. Due to performance benchmarks, staffing levels, technology improvements, and access to remote offices CCS has been able to maintain responding to inspection requests within the 48 hour standard.

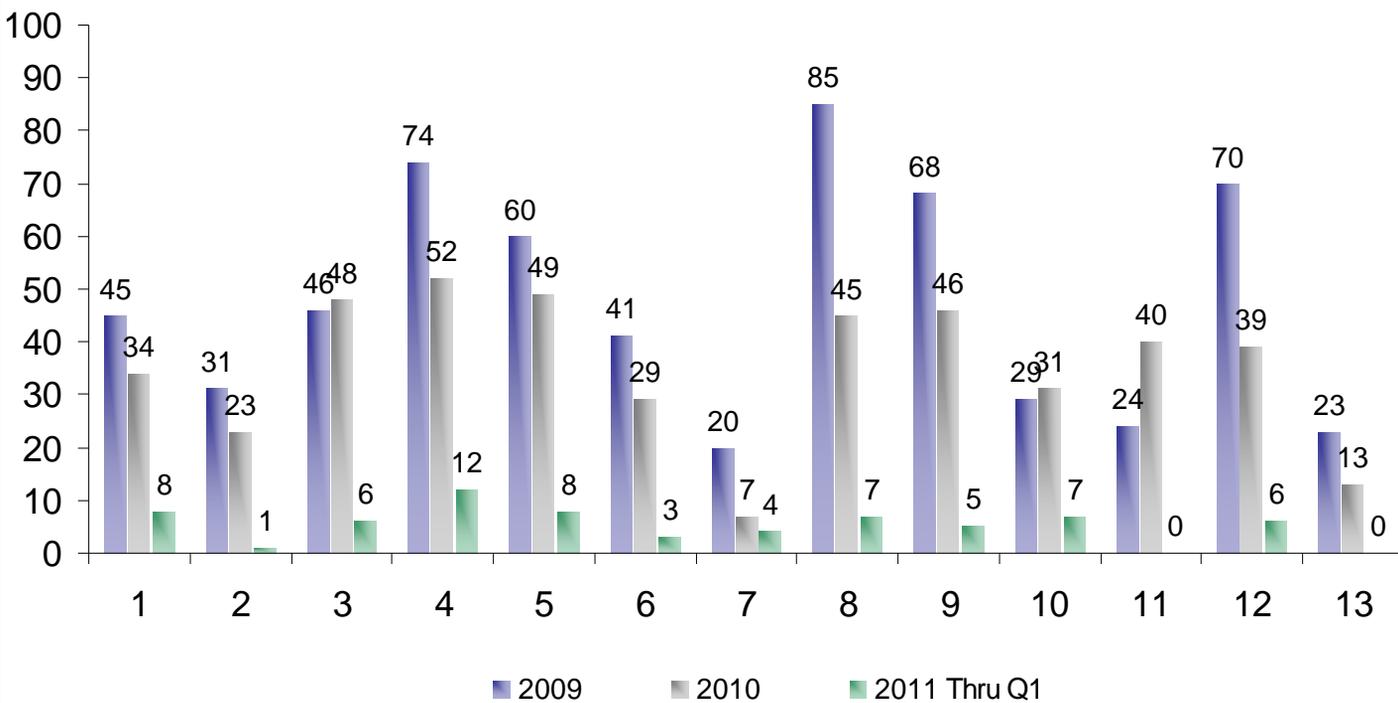
What will it take to achieve the target?

Several factors can influence the ability of CCS to maintain this standard. These include time management by inspectors, adequate staffing levels, and management by supervisors. Inspectors have numerous tasks to perform during the day besides the main task of performing inspections. Providing them with the tools and the training they need assists them in managing their time so they are available to perform inspections in a timely manner.

Having adequate staffing is very important in maintaining acceptable response time to inspection requests. CCS believes the current staffing levels are correct and contribute to the ability to maintain this standard.

CCS currently has one supervisor for every nine inspectors. The supervisors assist the inspectors with daily scheduling problems by monitoring employee absences (which creates additional work load for other inspectors) and other unexpected problems which can interfere with completing inspections in a timely manner. The success of this teamwork is important to achieving the goal CCS has set.

Unpermitted construction work violations, by ward



Why is this measure important?

The chart shows the number of violations found and processed to obtain the necessary permits for the period. Construction Code Services (CCS) has been investigating unpermitted work (UPW) violations in the community for several years. Construction work being performed without permits typically is performed by unlicensed individuals whose work often does not meet the minimum code standards established by law.

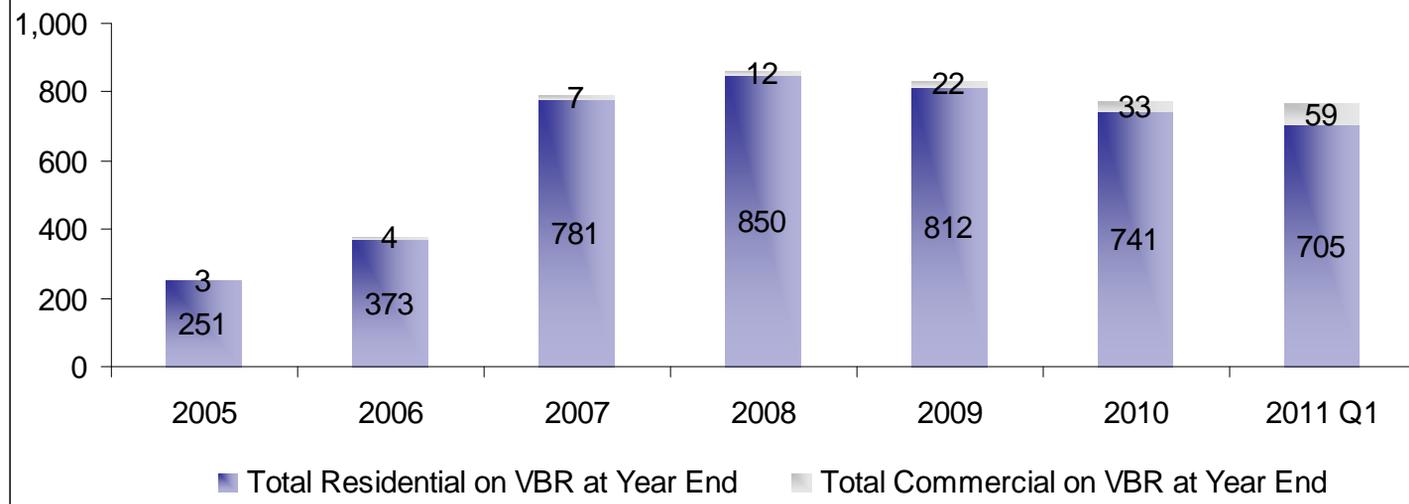
The purpose of searching out this type of work is to make people aware that the city does check for persons performing illegal construction related work and to inform them of the penalties associated with violating the law. For the owners, tenants, and general public who may be put in danger by substandard work, the purpose is to provide the public protection of ensuring code compliant work.

311 is an active partner in referring complaints of unpermitted work to inspectors. In 2009, 387 complaints of unpermitted work were referred from 311, with 226 confirmed. In 2010, 342 complaints of unpermitted work were referred from 311 and 174 of those were confirmed. During the first quarter of 2011, there were only 30 unpermitted work referrals from 311. Of those 30, 19 were confirmed, putting the pace for 2011 at less than 100 confirmed cases. We believe the partnership with 311 on this issue has led to a reduction in unpermitted work as our enforcement efforts become more effective.

What will it take to maintain it?

The UPW staff currently consists of one (1) inspector and a shared supervisor. In prior years there were two (2) inspectors. Since the staff has been reduced to one (1), CCS utilizes its construction inspection staff to assist in identifying work that may not have the necessary permits. Covering the entire city with one inspector is challenging. CCS will continue to strive to make this program as effective as possible given the current staffing situation.

Year end vacant building registration enrollment

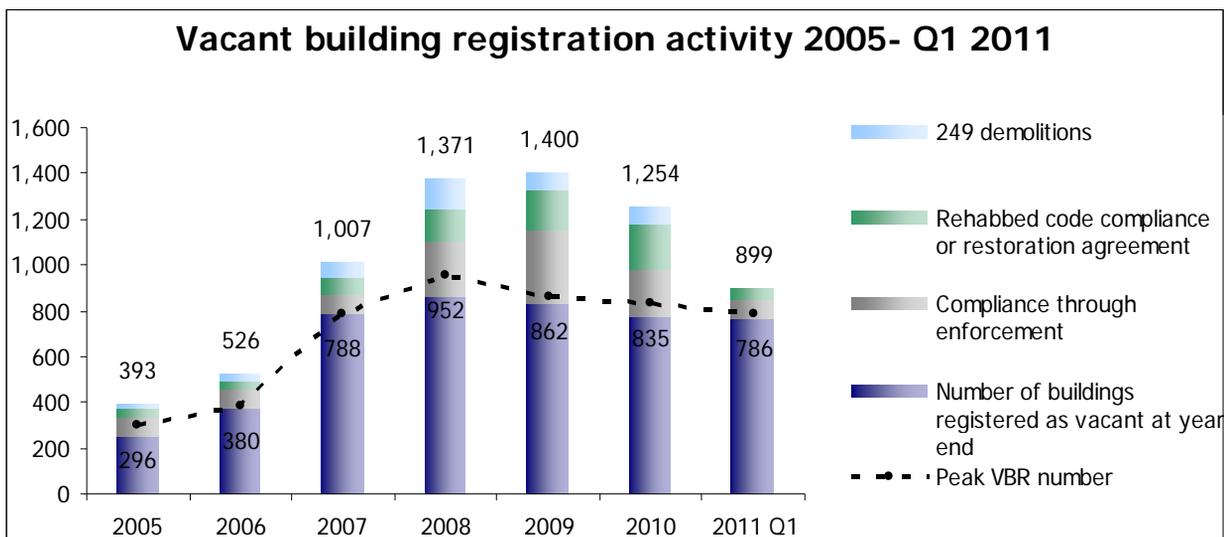


Why are these measures important?

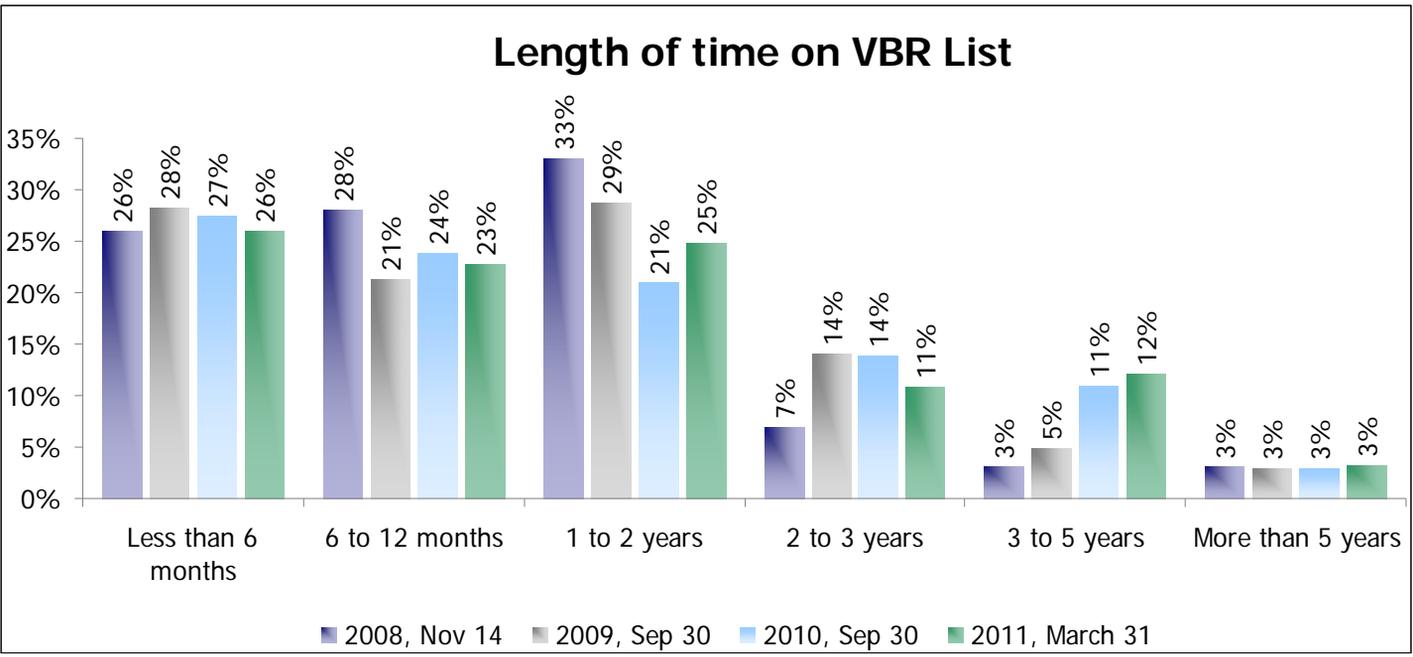
Vacant and boarded buildings negatively affect the safety and livability of the City's neighborhoods. They frequently become havens for criminal activity and contribute to blight and reduced property values. The safety and livability of our neighborhoods is improved by using mitigating strategies such as rehabilitation, private/public acquisition, or demolition.

The number of buildings registered as vacant at year end has had a steady decline since peaking in 2008. It is possible to see a change in composition of the building types represented on the list. Commercial buildings now make up 8% of the list, while in 2008 it was approximately 1%. This change is partially attributable to new ordinances regarding vacant commercial property, as well as the restructuring of inspections responsibilities between the Fire Department and Regulatory Services. It may also be a sign of changing economic conditions.

Further examination of the number of buildings that came on and off of the list demonstrates that there continues to be a high number of properties coming on and off of the list within the year. This may also be due to indirect effect of increased VBR fees, more restoration agreements, and increased awareness of City-led demolition initiatives. Looking at how long properties have been on the list may provide further insight into these trends.



Our analysis shows that the longer a building remains in the City’s Vacant Building Registration program, the more likely it is to experience serious structural decline. There is a direct correlation between time vacant and the cost to rehabilitate in the future. It is in the best interest of everyone to move the property back into the housing market as fast as possible and remove the blighting influence from the neighborhood.



Properties registered for 1-2 years rose from 21 percent in 2010 to 25 percent in 2011. The number of long-term vacant properties has decreased slightly. In 2011, 26 percent of properties in the Vacant Building Registration program had been on the list for more than two years, a decrease from 2010 when the number was approximately 28 percent. While the unit continues to see large numbers of properties being removed from the program, these numbers also indicate that a cohort of older registrants remain vacant. This trend is a byproduct of the current housing market and will require close attention.

What will it take to make progress?

The City has made continual progress in addressing vacant properties. These successes are due to several factors. In 2008, the City increased the VBR fee from \$2,000 annually to \$6,000. This fee was then attached to an annual indexing scale and went up to \$6,746 on April 1, 2011. In addition to serving to recover the costs associated with monitoring and responding to vacant buildings, this annual fee provides incentive to owners to abate a nuisance property. The City has also been active in pursuing demolition of properties that are beyond repair. Continuing to do so will discourage “warehousing” of vacant properties.

To minimize the economic impact and provide an incentive for rehabilitation, the City also adopted a “waiver” provision which permits owners to postpone payment of the fee if they agree to enter into a Restoration Agreement with the City and bring the property up to code in a timely manner. By making this process more accessible and providing positive incentive for timely rehab, the City has seen a large increase in the number of properties rehabilitated.

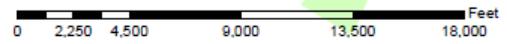
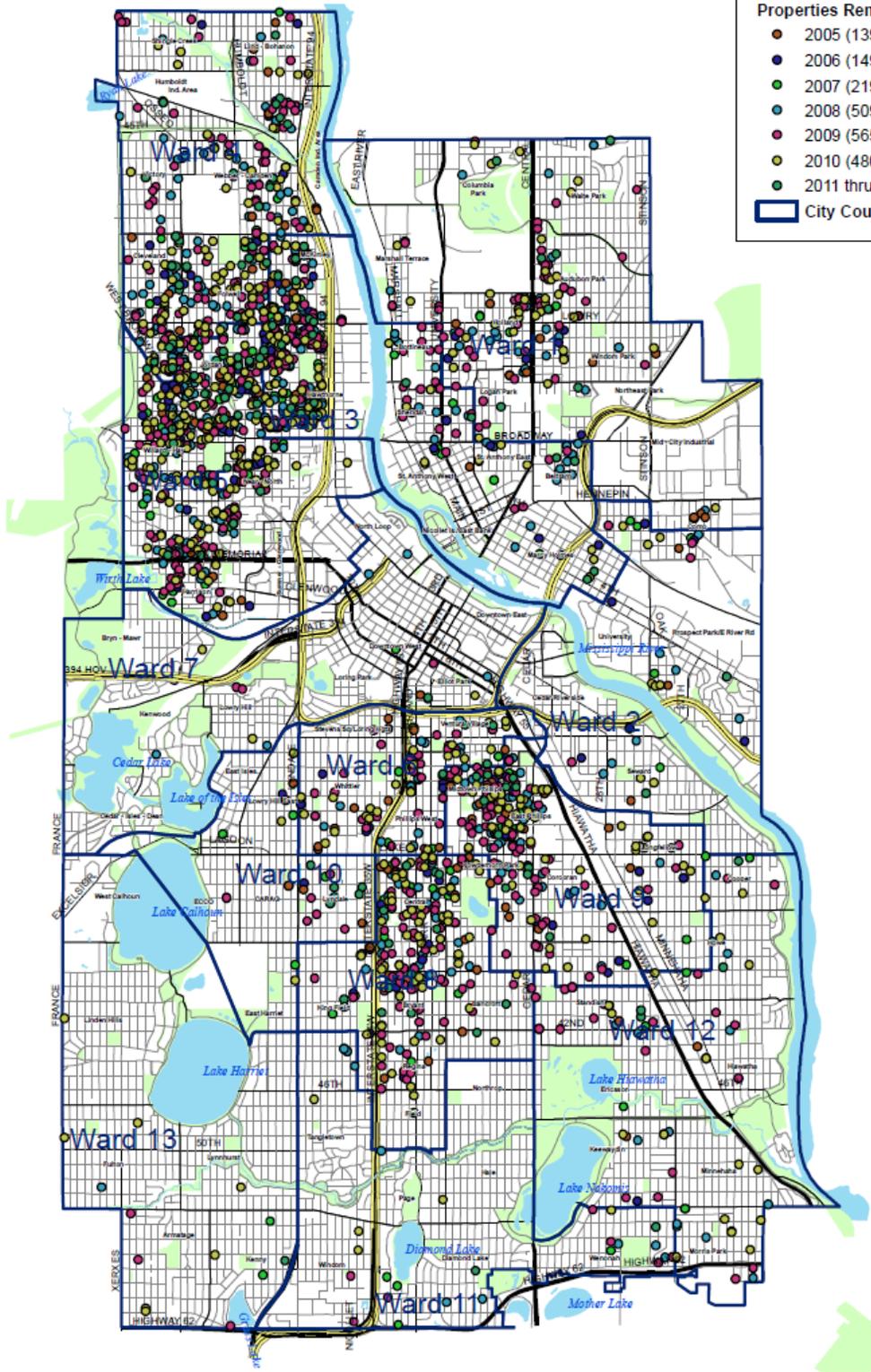
Properties Removed from Vacant Building Registration 2005 - 2011

Legend

Properties Removed from VBR

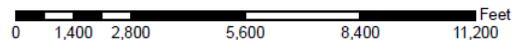
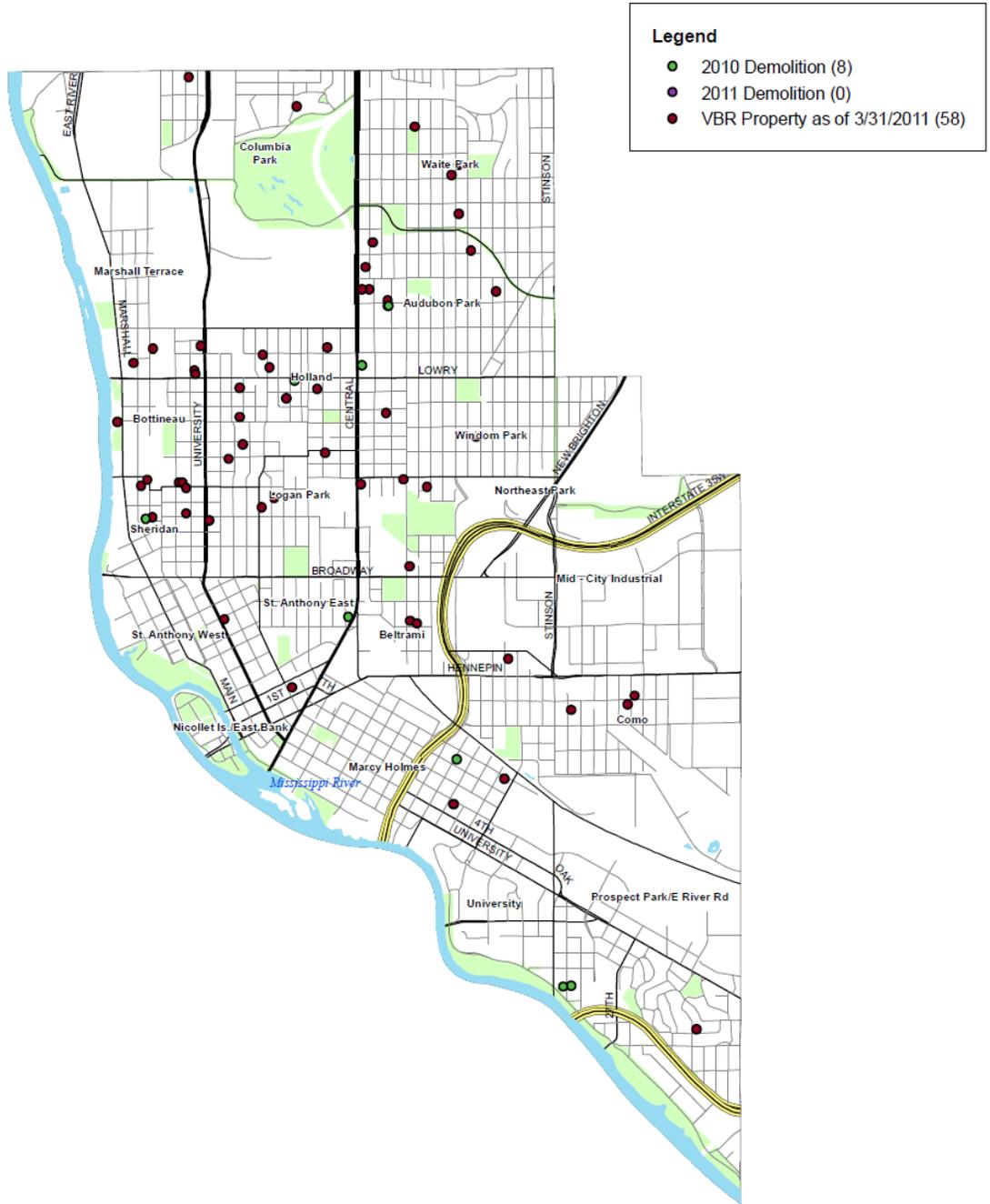
- 2005 (139)
- 2006 (149)
- 2007 (219)
- 2008 (509)
- 2009 (565)
- 2010 (480)
- 2011 thru March 31 (135)

▭ City Council Ward Boundary

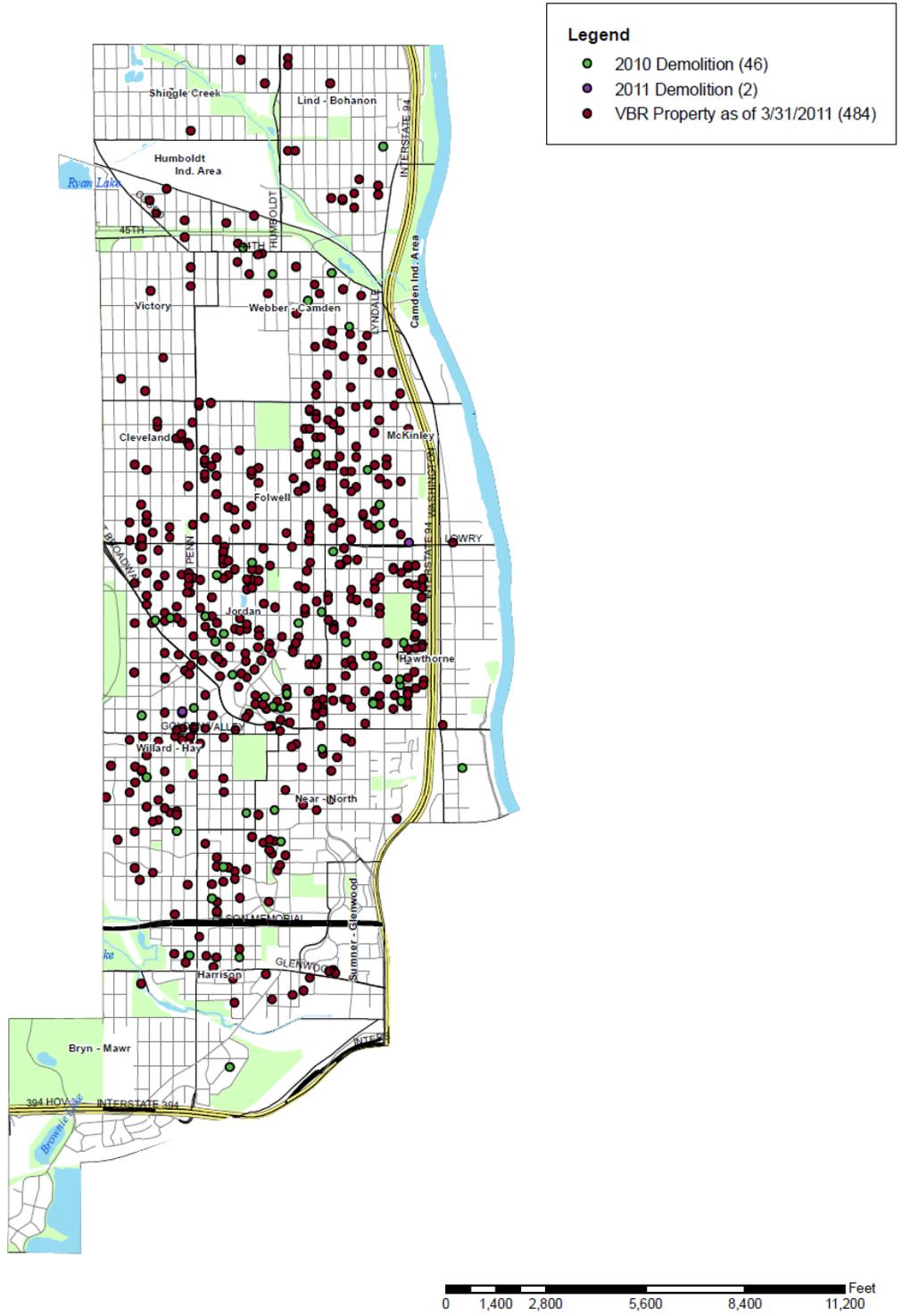


City of Minneapolis Department of Regulatory Services, 9/7/2011.

Northeast and Southeast Minneapolis Properties Registered as Vacant and Recent Nuisance Demolitions



North Minneapolis Properties Registered as Vacant and Recent Nuisance Demolitions

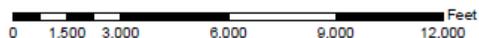


City of Minneapolis Department of Regulatory Services, 6/7/2011.

South Minneapolis Properties Registered as Vacant and Recent Nuisance Demolitions

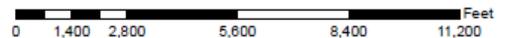
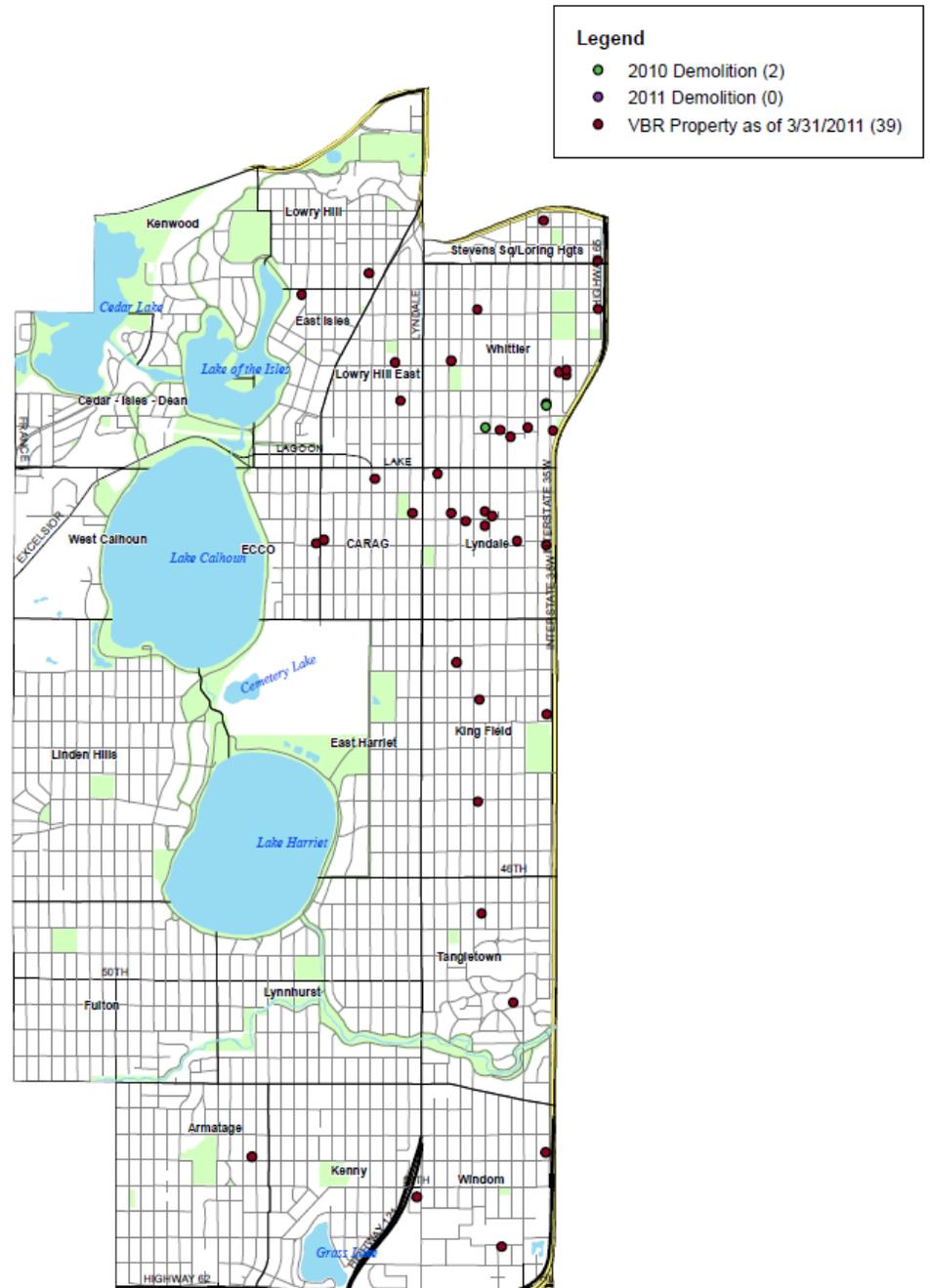
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- 2010 Demolition (18)
- 2011 Demolition (0)
- VBR Property as of 3/31/2011 (169)



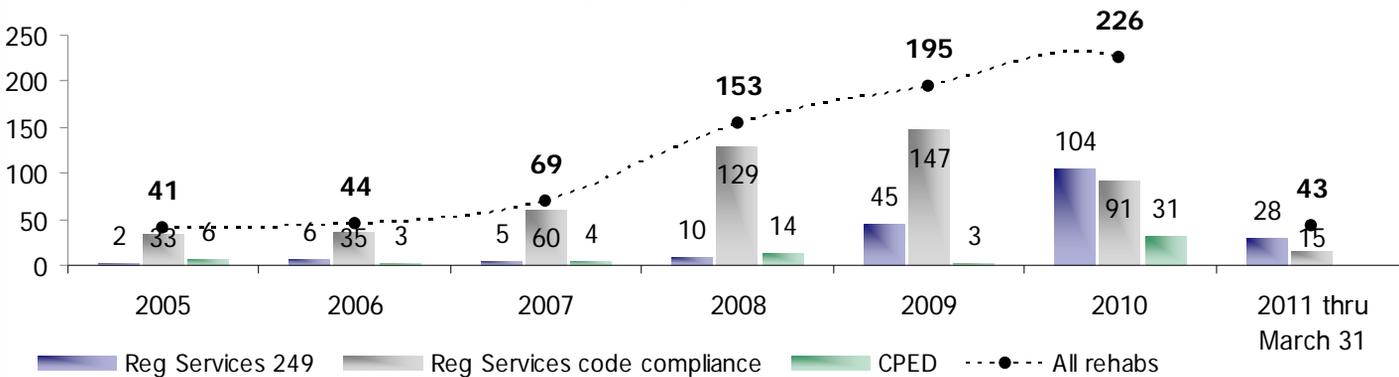
City of Minneapolis Department of Regulatory Services, 6/7/2011.

Southwest Minneapolis Properties Registered as Vacant and Recent Nuisance Demolitions



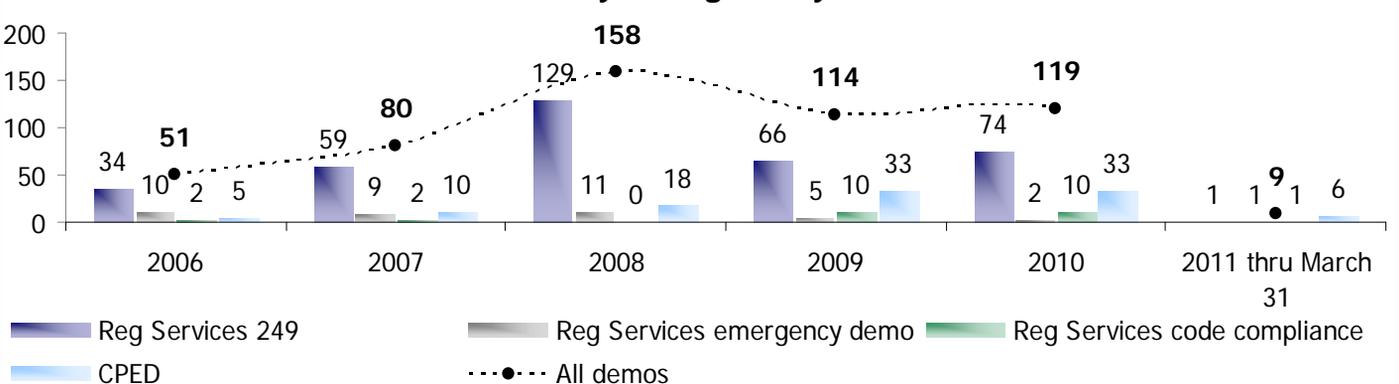
City of Minneapolis Department of Regulatory Services, 6/7/2011.

Rehabs through Regulatory Services and CPED



Note: 2011 data for CPED renovations not available as of this report

Demolition activity in Regulatory Services and CPED



Why is this important?

Regulatory Services has several main regulatory business processes that directly impact whether a property is rehabled or demolished. These processes are reflected in the following charts, which are separated into properties that were either rehabled or demolished

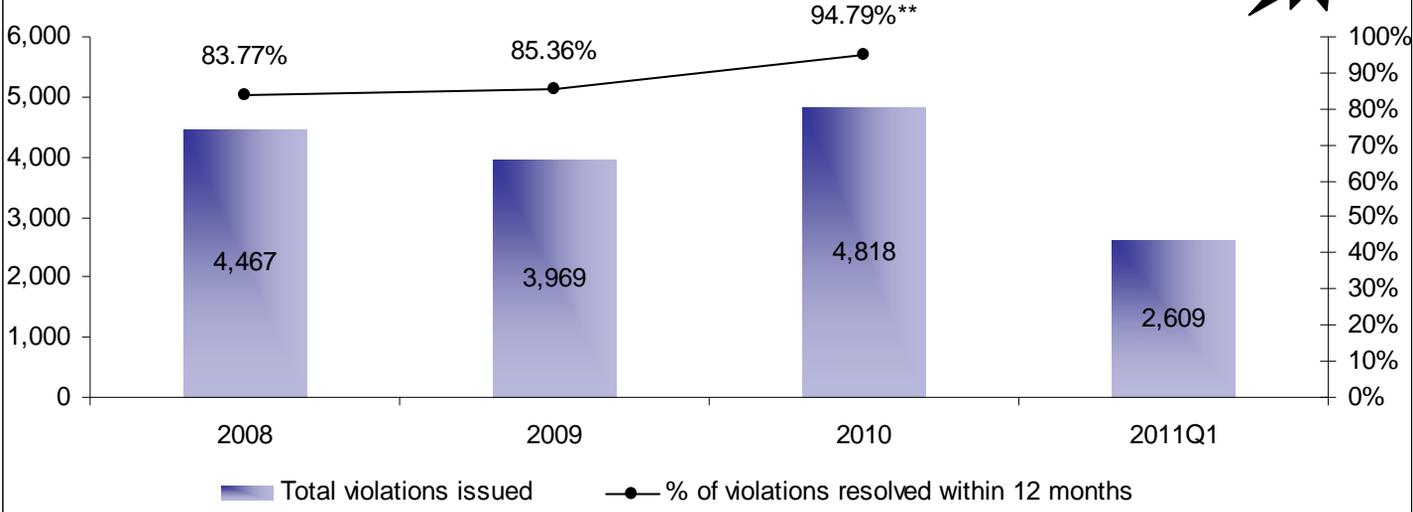
The City continues to see an increase in rehabs, with more property owners taking advantage of the restoration agreement process in 2011 than ever before. The increase in rehabilitations was about 16 percent from 2009 to 2010, resulting in 226 properties being rehabled. If the current trend holds for 2011, the City will see more than 255 buildings rehabled.

The number of demolitions has gone down somewhat since peaking in 2008. During 2008 the City of Minneapolis partnered with Hennepin County to eliminate 129 nuisance vacant properties. In 2009 and 2010, Regulatory Services used federal resources from the Housing and Economic Recovery Act of 2008 to demolish properties. Regulatory Services demolished over 100 buildings using these funds. Regulatory Services is analyzing conditions across the city to determine how to appropriately direct demolition activity in the coming years.

What will it take to make progress?

As the most dilapidated properties are removed from the housing stock, the use of demolition as a tool for nuisance abatement will naturally decrease. The City will continue to utilize it in appropriate situations. As the charts indicate, rehab activity is on the rise and is expected to continue. The City continues to provide positive incentive for rehabilitation through the restoration agreement program.

Fire Inspections Services violations issued and resolved



**2010 resolution percent only includes those violations issued through Q1

Why are these measures important?

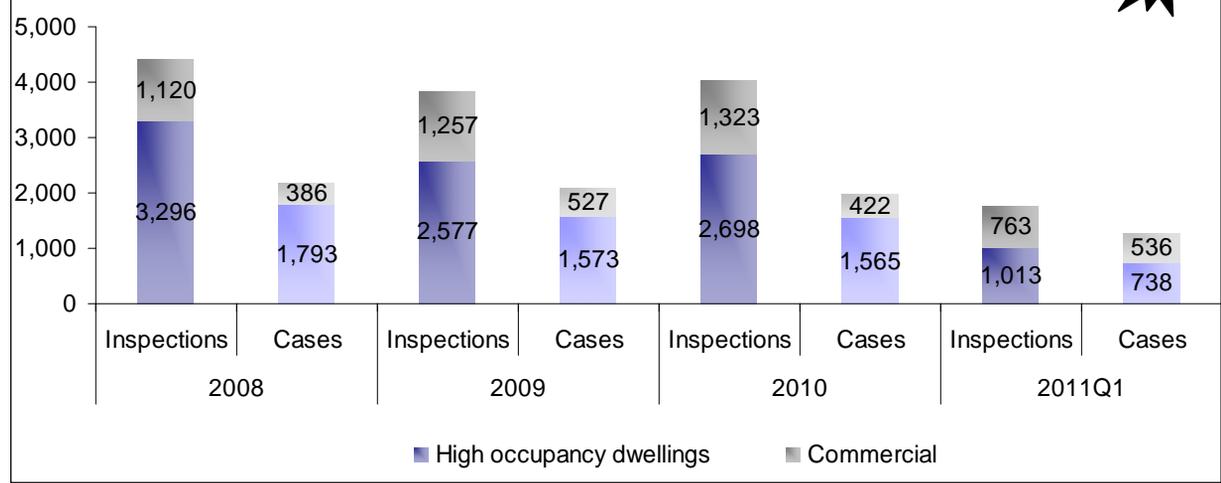
The inspection of high-occupancy dwelling and commercial buildings is critical to the safety of the city and its residents. Responsibility for inspection of these buildings was assigned to Regulatory Services in 2011 and is shared with the Minneapolis Fire Department. By maintaining high levels of service, Regulatory Services works to protect the residents and visitors of Minneapolis. Timely compliance with orders is also crucial the effective code enforcement.

What will it take to make progress?

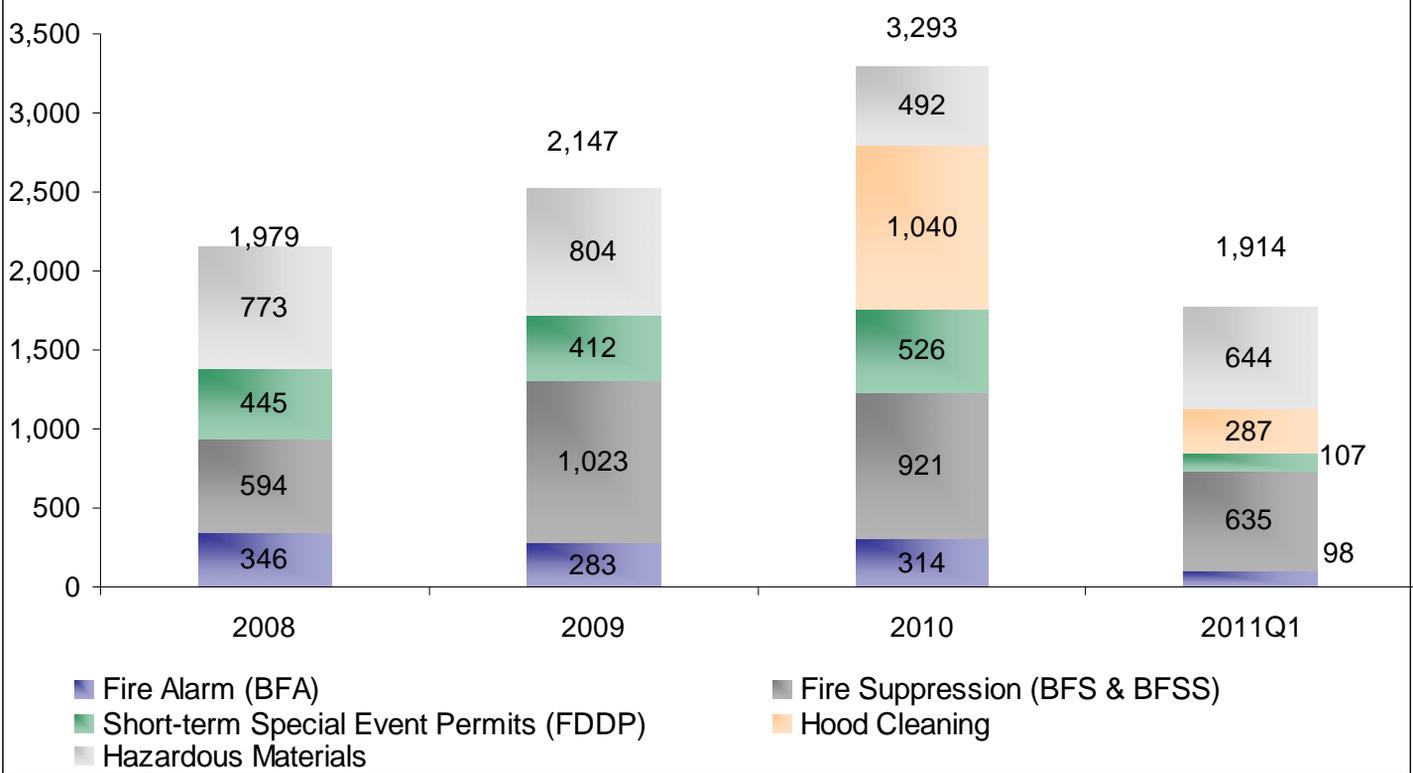
In 2011, Fire Inspections Services underwent significant reorganization. Changes will continue to be made to ensure optimal staffing assignments for enforcement and other program activities. In addition, Regulatory Services developed comprehensive, occupancy-based checklists to be used by both Fire Inspections Services and Fire Department staff.

To increase rates of compliance, Regulatory Services has implemented administrative citations within Fire Inspections Services. These progressively escalating fees have proven an effective means of gaining compliance in other divisions. Their use and impact will be monitored within the division throughout the year.

Fire Inspection Services inspections and cases



Permits issued by fire inspection services



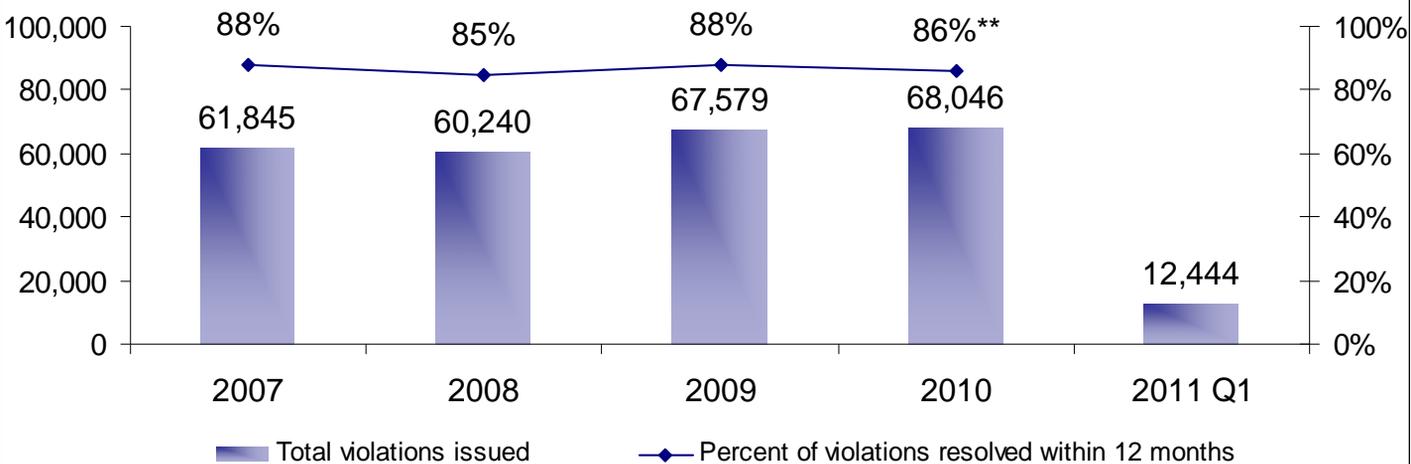
Why are these measures important?

Fire Inspections Services is responsible for the review and issuance of several permit types. Plans are reviewed for a wide variety of items including fire alarm and suppression systems, kitchen exhaust hood cleanings, and hazardous materials storage. These are critical to fire prevention and suppression.

What will it take to make progress?

Fire Inspections Services is in the process of improving numerous permitting processes to ensure efficiency and effective cost recovery and appropriate fee levels for users. In addition, staff is in the process of developing a new permitting process for a number of operations for which a permit is required by the Fire Code.

City-wide housing violations issued and percent resolved



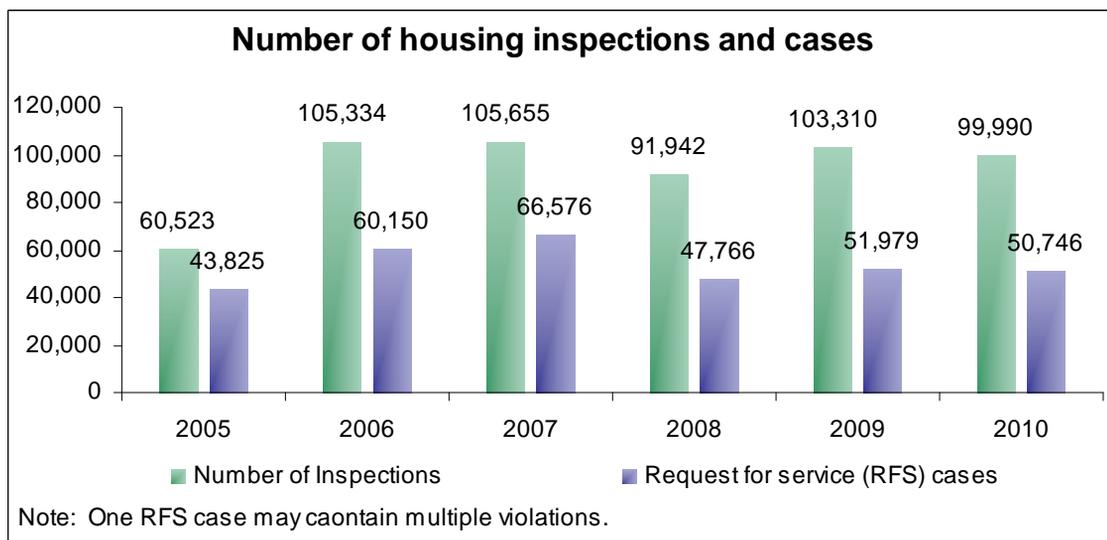
**2010 resolution percent only includes those violations issued through Q1

Why are these measures important?

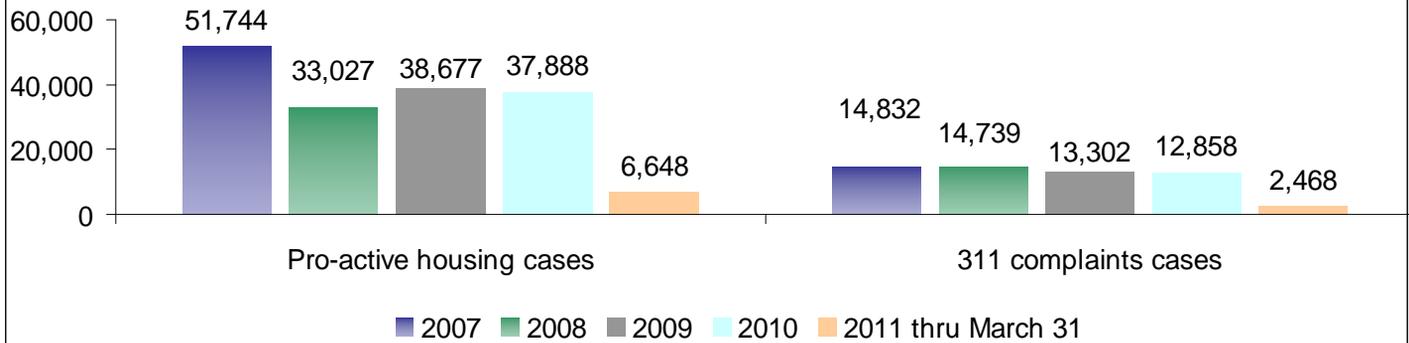
Every citizen within the city has a reasonable expectation to live next to or in a dwelling that is decent, safe, sanitary and meets the minimum housing standards set forth by our city. The core mission of Housing Inspection Services is to promote quality housing and livable neighborhoods for all residents. By responding to customer 311 complaints on properties, pro-active nuisance condition inspection activities and our systematic rental license program, we are maintaining and improving the housing stock. Housing Inspections works to help owners facing hardship that prevents them from complying with orders. One example of this is the inclusion of a resource list with its letters. This information is also available on the division's web site.

In the charts above and below, the term cases refers to a set of orders issued to a property owner. These are typically grouped by type of violation. A violation refers to a specific code deficiency. The term inspection refers to a visit by an inspector to a property and is associated with a specific case.

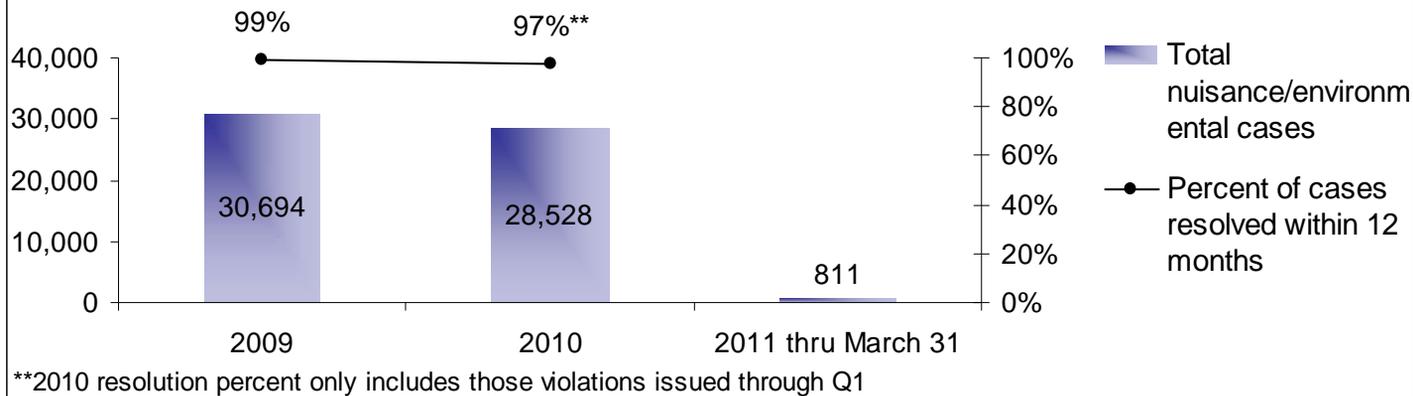
Over time, rates of compliance improve as violations from previous years are resolved. However, by using the measure of 12 months it is possible to compare performance from year to year.



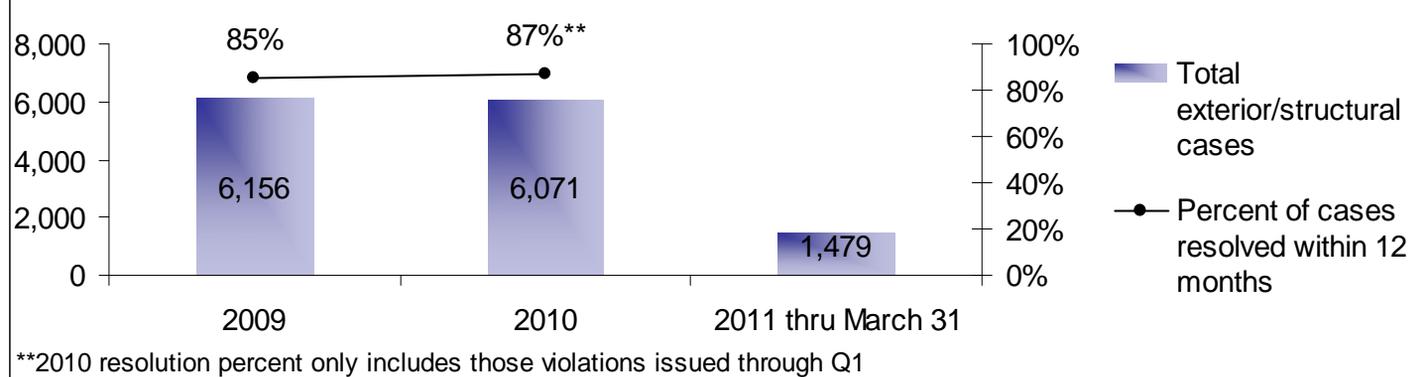
Number of pro-active and 311 driven (reactive) cases



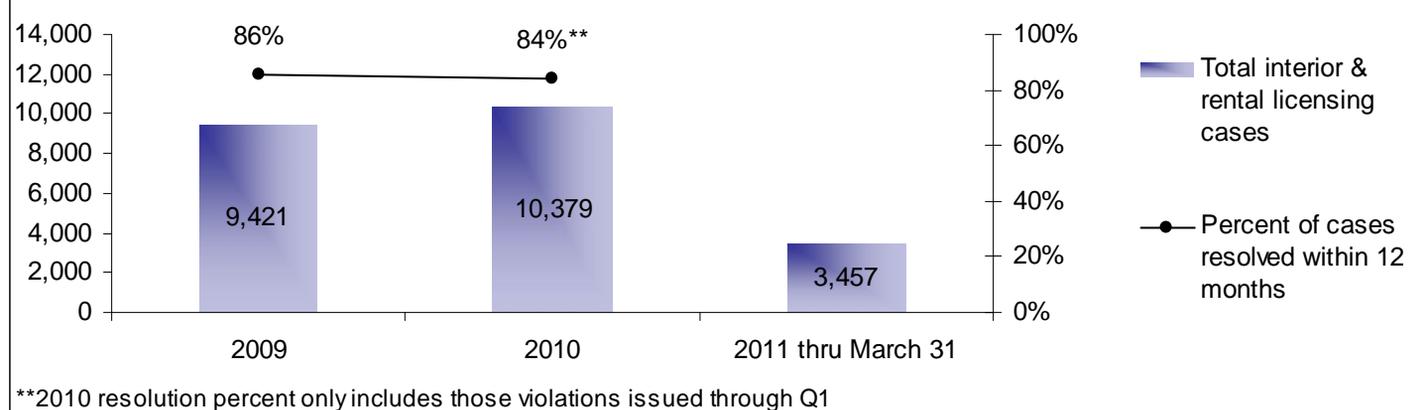
Nuisance/environmental cases issued and percent resolved



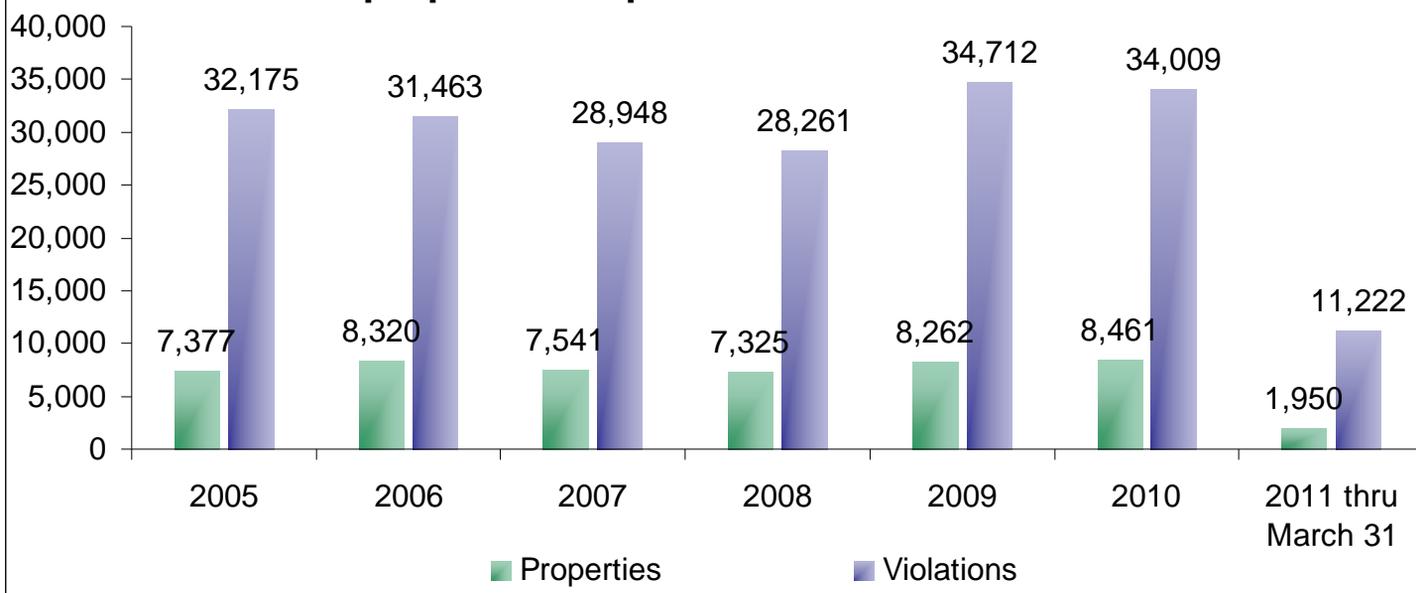
Exterior/structural cases issued and percent resolved



Interior and rental licensing cases issued and percent resolved



Rental properties inspected and violations written



Why is this measure important?

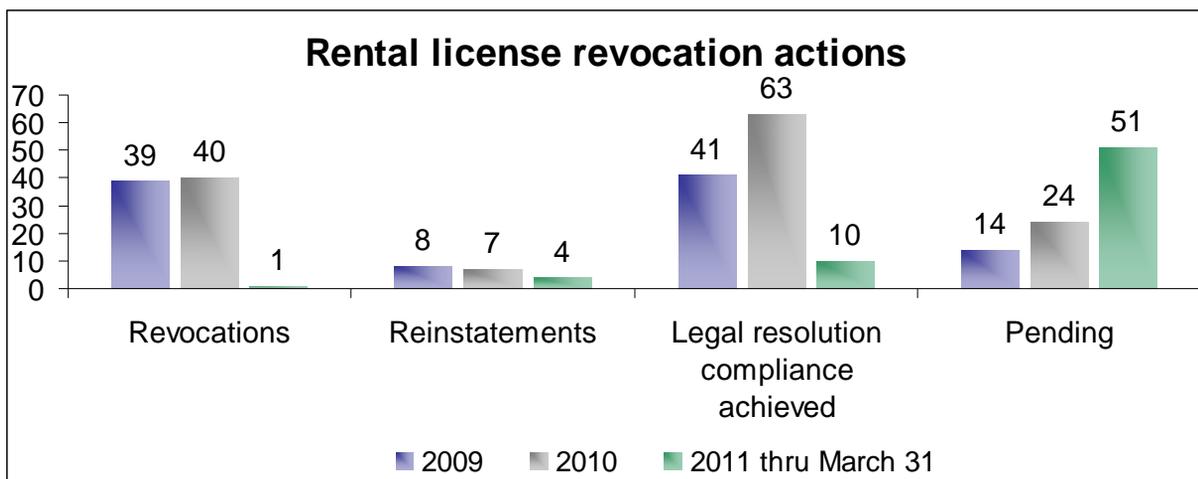
These measures indicate our levels of activity and the effectiveness of our current enforcement actions to address rental property owners who violate the rental licensing standards.

Once revoked, a rental license is not reinstated until the existing or new owner provides documentation the property will be managed and maintained in accordance with licensing standards.

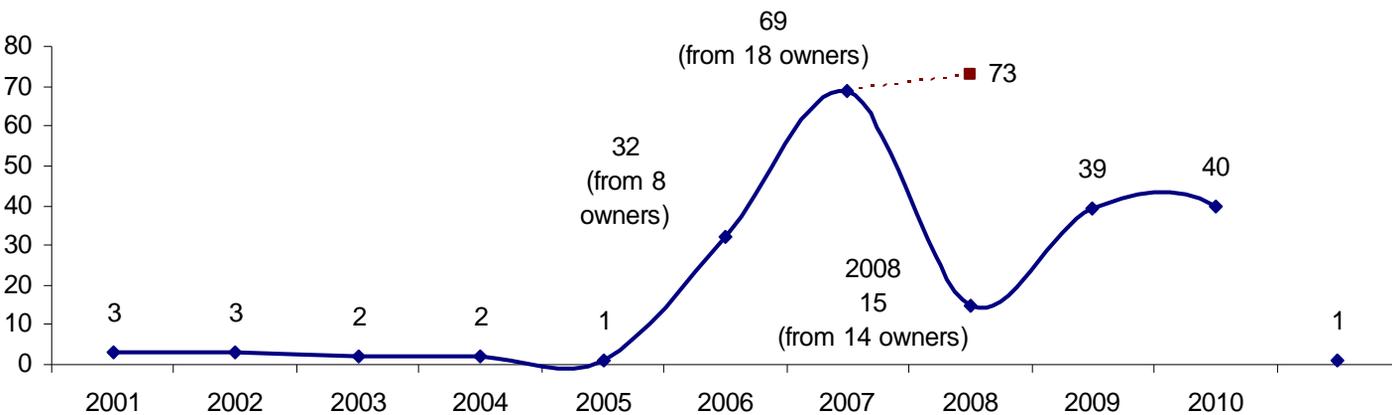
Why will it take to make progress?

In 2011, Regulatory Services completed the inspection of all provisional rental licenses. Housing Inspections began the implementation of tiered rental licensing inspections in spring 2011.

Over the past few years, the City Council has approved amendments to the rental licensing ordinance that have provided Housing Inspections Services, Fire Department and Police Department with effective enforcement tools to address reluctant rental property owners. One revocation cases was completed in the first quarter of 2010, 10 cases had legal resolution and there were 51 cases pending at the end of the period.

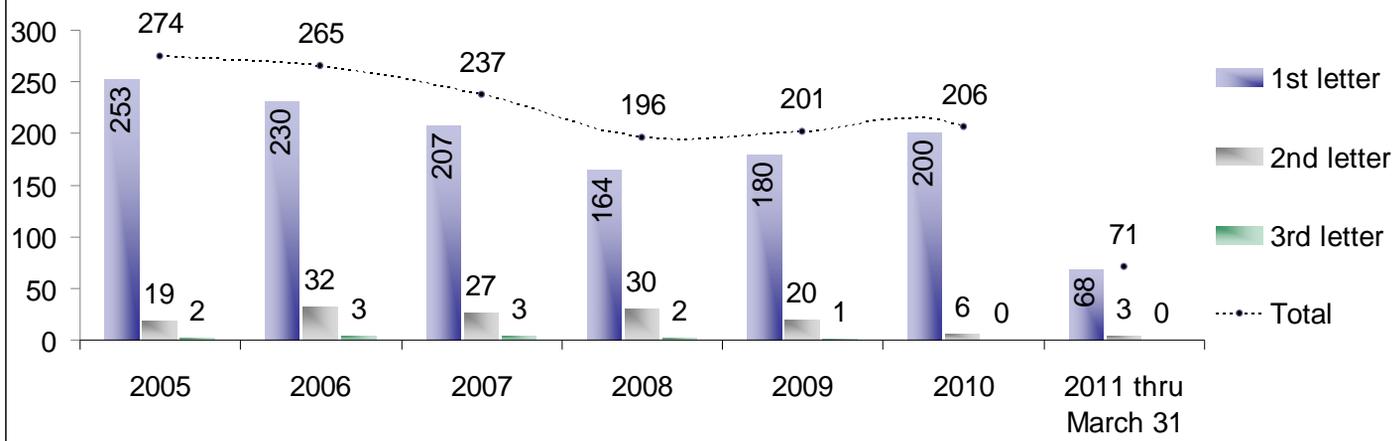


Rental license revocations



Note: 2008 -15 from 14 property owners; and 58 TJ Waconia properties which were pulled back by the City Attorney's Office.

Enforcement of rental properties (premises notices)



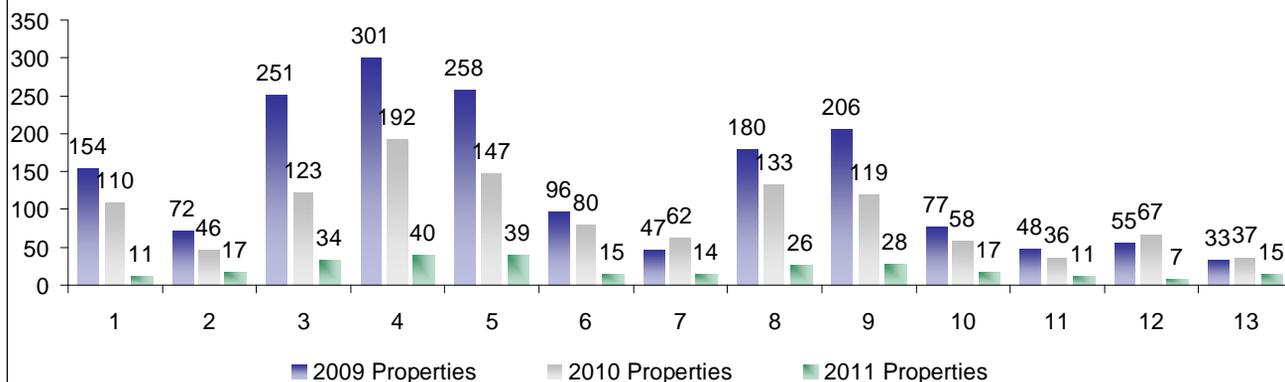
Why is this measure important?

The health and livability of a neighborhood is directly affected by nuisance behavior. Rental property owners have a responsibility to operate their businesses in a manner that does not adversely affect the health and livability of the neighborhood. Conduct notices are sent to the rental property owner by the Minneapolis Police Department when a tenant or guest has been involved in nuisance behavior at the property. The rental property owner is required to take action to resolve the nuisance behavior and to submit a management plan detailing how the rental business will be operated to prevent any further occurrences of nuisance behavior. Failure to resolve the problem or submit a management plan could lead to the revocation of the rental license for the property.

Why is the measure important?

Rental properties who are compliant with licensing their properties and paying their license fees on time do expect that other rental property owners are doing the same. Housing Inspectors identify unlicensed rentals during the course of their inspections and through 311 complaints. The inspectors annually conduct enforcement actions against property owners for expired unpaid licenses. The numbers below reflect the number of cases that either have expired licenses or new unlicensed rentals. Housing Inspection Services hired an additional Housing Inspector to dedicate their time to identifying city-wide unlicensed properties for rent or occupied with renters without a license. This inspector focuses on water department records, assessor data and rental ads to identify additional unlicensed rentals. In 2010 the dedicated inspector identified 207 properties operating without a license.

License property investigation activity (unlicensed rentals) 2009-2011, by ward

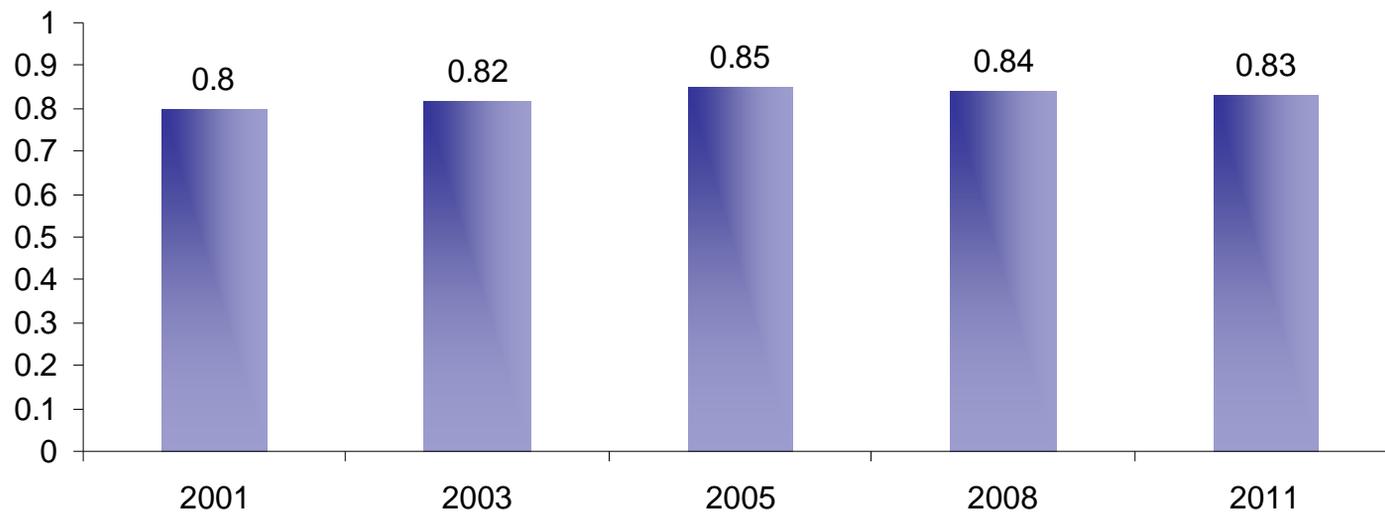


APPENDIX

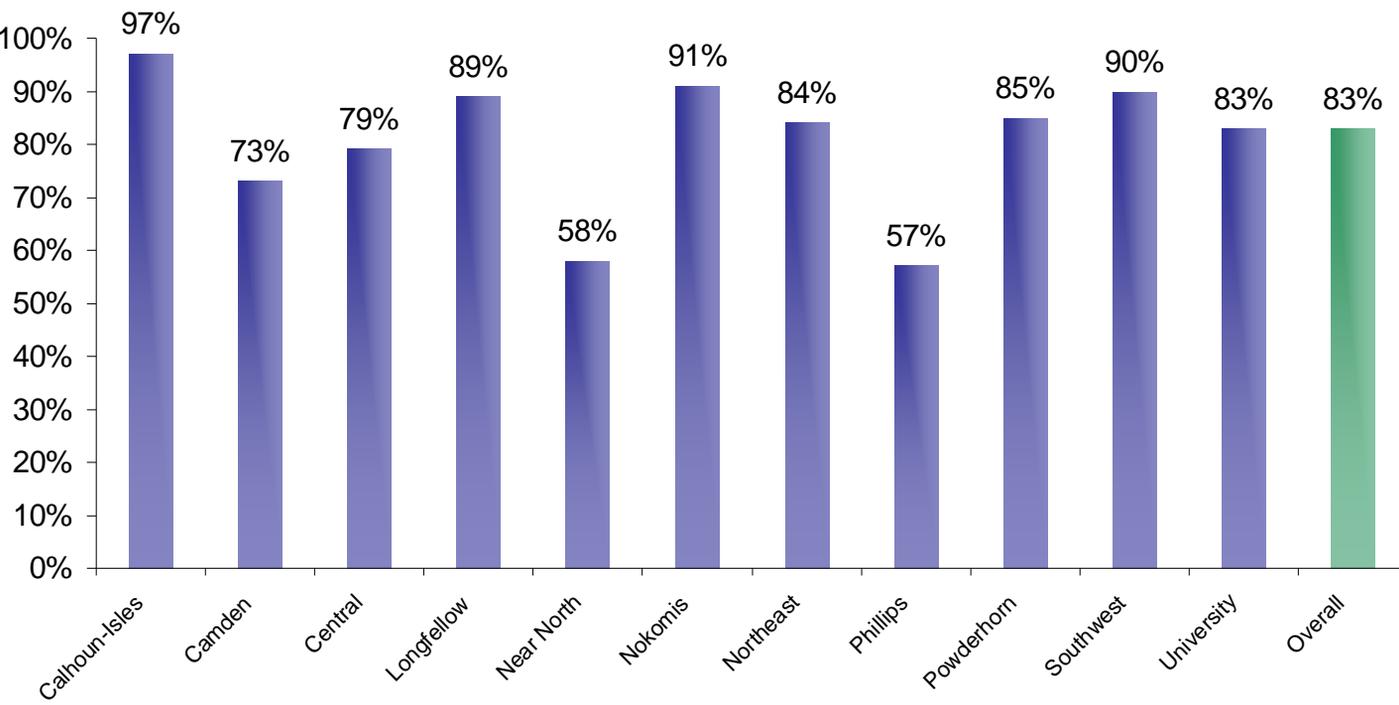


Resident Survey measures

Residents who agree their neighborhood is clean and well maintained



Residents who agree their neighborhood is clean and well maintained 2011, by community planning district



Top 25 service requests Percentage meeting Service Level Agreement

Rank (2010)	Request Type	SLA		Service Requests	2010		2009	
					# Meeting SLA	Pct Meet SLA	Service Requests	Pct Meet SLA
1	Graffiti complaint / reporting	20	Days	8,765	7,839	89.44%	12,653	87.17%
2	Exterior Nuisance Complaint	15	Days	8,314	7,322	88.07%	7,460	95.40%
3	Sidewalk Snow & Ice Complaint	21	Days	7,894	5,096	64.55%	6,602	77.35%
4	Abandoned Vehicle	14	Days	5,167	5,068	98.08%	5,270	90.93%
5	Parking Violation Complaint	5	Days	4,833	4,259	88.12%	4,535	78.87%
6	Pothole	12	Days	4,429	2,955	66.72%	2,747	82.66%
7	Snow & Ice Complaint	3	Days	4,014	2,986	74.39%	1,356	92.08%
8	Residential Conditions Complaint	50	Days	3,700	3,592	97.08%	4,879	98.45%
9	Animal Complaint - Livability	7	Days	3,572	3,534	98.94%	3,872	99.55%
10	Parking Meter Problem	3	Days	2,532	2,505	98.93%	1,815	66.86%
11	Zoning Ordinance Question	4	Days	2,134	2,083	97.61%	1,728	97.82%
12	Plan Review Callback	3	Days	1,956	1,858	94.99%	1,784	97.45%
13	Animal Complaint - Public Health	4	Days	1,884	1,840	97.66%	1,567	99.09%
14	Rental License Followup	2	Days	1,409	1,408	99.93%	Not on 2009 top 25	99.82%
16	311 Police Report Callback	3	Days	1,248	1,195	95.75%	1,258	98.07%
17	Online Utility Bill Payment	1	Hours	1,132	1,132	100.00%	837	99.88%
18	Traffic Signal Trouble	7	Days	1,108	1,050	94.77%	1,077	96.32%
19	Street Light Trouble	12	Days	958	740	77.24%	1,161	77.97%
20	Complaint	5	Days	887	830	93.57%	Not on 2009 top 25	91.49%
21	City Attorney Callback Request	3	Days	859	733	85.33%	1,035	84.51%
22	Start Utility Service - Move In / Buy Property	5	Days	839	835	99.52%	Not on 2009 top 25	81.14%
23	Residential Conditions Complaint HOD Tenant	15	Days	753	665	88.31%	698	90.23%
24	Suspicious Activity	7	Days	719	297	41.31%	Not on 2009 top 25	43.93%
25	Fire Prevention Callback	2	Days	708	130	18.36%	New 2010	New 2010

Regulatory Service service request (Housing, CCS, MDR)