



Request for City Council Committee Action from the Department of Community Planning & Economic Development

Date: June 20, 2006

To: Council Member Lisa Goodman, Community Development Committee
Council Member Paul Ostrow, Ways & Means Budget/Committee

Subject: Demolition of 249 (Vacant & Boarded) Properties

Recommendation:

- 1) Provide \$425,000 of Residential Finance Mortgage program income to the Department of Regulatory Services to be used as funding to support the demolition of Chapter 249 (Vacant & Boarded) properties within the City of Minneapolis.
- 2) Authorize amending the 2006 Appropriation Resolution by increasing the Regulatory Services Fund (0100-835-8560) by \$425,000.

Previous Directives: None

Prepared by: Elfric K. Porte, II., Manager Single Family Housing **Phone: 673-5145**
Approved by: Chuck Lutz, Deputy Director CPED _____
Elizabeth Ryan, Directory of Housing _____
Policy & Development

Presenters in Committee: Elfric K. Porte, II., Manager Single Family Housing
Henry T. Reimer, Director of Inspections

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
- Action requires an appropriation increase to the Capital Budget or Operating Budget.
- Action provides increased revenue for appropriation increase.
- Action requires use of contingency or reserves.
- Business Plan: Action is within the plan. Action requires a change to plan.
- Other financial impact (Explain):
- Request provided to department's finance contact when provided to the Committee Coordinator.

Community Impact (use any categories that apply)

Neighborhood Notification: Not applicable

City Goals: Foster the development and preservation of a mix of quality housing types that is affordable, meets current needs and promotes future growth.

Comprehensive Plan: Not applicable

Zoning Code: Not applicable

Other:

Background/Supporting Information

The City of Minneapolis through its Department of Regulatory Services ensures that properties are safe and habitable. However, not all properties in the City of Minneapolis meet this definition. As a result, Title 12, Chapter 249 of the Minneapolis Code of Ordinances was put in place to specifically address boarded and vacant properties.

Over the past several years, the city has experienced an increase in the number of buildings open to trespass and in need of City authorized boarding. From 2004 to 2005, there was an 86% increase in City authorized board-ups. This increase was due in part to a more streamlined inspection approach to identifying property open to trespass.

A building that is condemned is considered unsafe to live in. Once a building is condemned, the owner must prove that problems have been fixed before anyone can live in or use the building. In most cases, one must go through a code compliance process.

A building may be condemned when:

- It is vacant and boarded.
- It is determined to be unsafe; an inspector cites specific hazards.
- It is dilapidated; no specific hazards are cited but the inspector has assigned the property a score by ordinance qualifying it for condemnation.
- Utilities to it have been discontinued.
- There is a housing hygiene problem.

City ordinance provides that any unoccupied building that remains boarded for 60 days is determined to be a nuisance. After 60 days, if the owner has not removed the boards or taken out a permit to rehab the building, the building may be placed on the Chapter 249 list. A building on the Chapter 249 list requires a code compliance inspection before any rehab work can begin. In addition, buildings on the Chapter 249 list are subject to teardown by Inspections as a nuisance condition. A proposal to demolish a building must be approved by the City Council, based on recommendation from City staff after analysis that rehabilitation of the unit is not possible or economically feasible.

The Department of Regulatory Services in partnership with CPED is firmly committed to eliminating blight and reducing the negative impact of boarded and condemned properties on city neighborhoods. In addition to significantly decreasing the property values of the adjacent structures, condemned and dilapidated properties are at risk for arson fires and can be a magnet for criminal activities.

The Department of Regulatory Services intends to use the \$425,000 to continue its accelerated schedule of removing condemned properties. Each publicly authorized demolition costs an average of \$16,000 to raze. With the additional \$425,000, Regulatory Services hopes to raze between 24 and 26 properties, which will address about 15% of the total inventory of condemned properties. The cost of the demolition is assessed to the subject property. It is anticipated that all assessments related to the demolition of the subject properties will be used to reimburse the \$425,000 investment.

Moreover, the added resources will ensure that the new 249 Process, recently passed by the City Council, will have the initial funding needed to successfully launch the program and expedite demolitions, thus reducing the impact of condemned properties even further.

Resolved by The City Council of The City of Minneapolis:

That the above-entitled resolution, as amended, be further amended by:

1. Authorize amending the 2006 Appropriation Resolution by increasing the Regulatory Services Fund (0100-835-8560) by \$425,000.