



Request for City Council Committee Action from the Department of Regulatory Services

Date: July 12, 2010

To: Council Member Elizabeth Glidden, Chair – Regulatory, Energy & Environment Committee

Referral to: Council Member Betsy Hodges, Chair – Ways & Means/Budget Committee

Subject: Cancellation of special assessments and charges against properties for nuisance abatement activities under Chapter 227, Chapter 249, Chapter 244 and similar provisions of the Minneapolis Code of Ordinances

Recommendation: Approval of cancellation of special assessments and charges

Previous Directives: On May 28, 2010, the City Council passed a resolution (attached) intended to address this issue

Department Information

Prepared by: Cindy Gagnier, Manager – Administrative Services (673-5898)

Approved by:

Rocco Forté, Director of Emergency Preparedness & Regulatory Services

Henry Reimer, Director of Inspections

JoAnn Velde, Deputy Director of Housing Inspection Services

Presenters in Committee: JoAnn Velde, Cindy Gagnier

Reviews

- Permanent Review Committee (PRC): Approval ___ Date _____
- Civil Rights Approval Approval ___ Date _____
- Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

- Request provided to the Finance Department
- Other financial impact

Community Impact

- Other

Supporting Information

Historically, Regulatory Services – Housing Inspection Services has informally sent written requests to administratively cancel or reduce certified special assessments directly to Hennepin County property tax services.

On January 4, 2010, notice was sent from the County Auditor to several taxing authorities to cease the informal requests, indicating the City's Regulatory Services Department, without action by the City Council, does not appear to have the authority to authorize the cancellations.

Housing Inspection Services staff spent January to May attempting to bring this issue to successful resolution.

On May 28, 2010, Resolution 2010R-278 was adopted by the Full City Council granting authority to cancel special assessments for nuisance abatement and similar provisions determined by the Director of Inspections or his/her designee.

On June 22, 2010, the City received notification from the County that, after review of the Resolution, the County believes the resolution does not cite the authority by which the City of Minneapolis is permitted to delegate the cancellation or reduction of special assessments to the Director of Inspections.

Since January, there are approximately 150 separate items awaiting cancellation by a more formal means. There are a variety of reasons why an assessment should be cancelled. A complete review of the request and circumstances leading up to the assessment is completed before determining if a cancellation is appropriate. Some of the main reasons for cancellation are:

- A restoration agreement is obtained; vacant building registration is cancelled
- Extreme financial hardship resulting in potential foreclosure would result without the cancellation
- Determination of disability, senior or military status resulting in cancellation
- A change or split in property identification number
- Clerical error in data entry or payment application
- Tax forfeiture or CPED purchase
- Lack of notice to present owner of assessment from prior owner after sale date

Many homeowners have waited since January to receive formal notice of the cancellations and an adjusted tax statement. Residents paid their first half taxes without the adjustment. Any delay will result in more frustration from the homeowners, along with continuous daily phone inquiries as to the status of the adjustments.

The City Attorney's office has identified the authority in the City's Charter, Chapter 10, § 15 and provided the information to the County Attorney's staff for consideration. Housing Inspection Services and the City Attorney's Office have not yet heard from the County if they will deem our previous attempt at resolution acceptable. However, in the interest of speed, we are moving forward with an alternate method of cancelling the assessments in question.

Additional supplemental information

Council Resolution

County letter from January 4, 2010 to taxing authorities

Property list

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By Glidden

Adopting a new policy for canceling special assessments and charges against properties for nuisance abatement activities under Chapter 227, Chapter 249, Chapter 244 and similar provisions of the Minneapolis Code of Ordinances, if the special assessments or charges are determined by the Director of Inspections or his/her designee to be an undue burden on the property and the violations at the property have been corrected by the owner.

Resolved by the City Council of the City of Minneapolis

Whereas, the City Council finds that the Department of Regulatory Services uses the special assessment process set out in section 227.100 of the Code, for such situations including but not limited to: Chapter 249 Vacant Building Registration Fees, grass/weed cutting, rubbish removal, removal of inoperable vehicles and to collect unpaid administrative citations issued for violations of Chapter 244, Maintenance Code.

Whereas, the City Council finds that the volume and quantity of assessments has increased substantially in the last Five (5) years.

Whereas, the City Council finds that for many years, the Director of Inspections has acted on requests of homeowners, whose properties were subject substantial special assessment charges, to reduce or waive the amount of special assessments placed upon the property for nuisance abatement activities or violations of the Housing Maintenance Code. That the Director of Inspections has properly reviewed the individual circumstances of each case to come to a decision as to whether to reduce or waive the amount of special assessments placed upon the properties in question.

Whereas, the City Council finds that Hennepin County is now requiring City Council action, either through a resolution or on a case by case basis, to reduce or waive special assessments placed upon a property for nuisance abatement activities or violations of the Housing Maintenance Code.

Whereas, the City Council finds that a review of the individual situations concerning these special assessment waiver/reduction requests, is best handled as a management function of the Director of Inspections.

Whereas, the City Council finds that a case by case review of these special assessment waiver/reduction requests would significantly and unreasonably increase City Council and Committee caseload

Now, Therefore Be It Resolved by the City Council of the City of Minneapolis:

That the discretion and authority to review and decide these requests shall rest with the Director of Inspections.

Be it Further Resolved that the City Council hereby authorizes and requests the Hennepin County Auditor to cancel and reduce special assessments, pending assessments and charges on its records consistent with this resolution.