

Minneapolis/Hennepin County Collaborative on Vacant Boarded and Tax Forfeit Buildings and Properties

Report to Policy Makers – 10-16-02

Preliminary Findings/Recommendations

1. Establish and monitor plans for all vacant and boarded building under public control.

Few properties are owned by the public. Most properties are privately held.

- The Planning Department should continue to work with Licensing, Inspections, and the Assessors office to identify ways to efficiently note when a building has become vacant and/or boarded. This will include efforts to work with the neighborhood information system (MNIS) to help neighborhoods identify properties in the early stages of deterioration.
 - It is recommended: 1) the Minneapolis/Hennepin County Collaborative (Boarded Building Task Force) continue to meet and, 2) that a consolidated list be made and updated weekly to include both Boarded Buildings and empty lots. The City of Minneapolis and Hennepin County will both sign off on the list content to ensure accuracy. This list should be reviewed and monitored by the Boarded Building Task Force until the property no longer falls into the Boarded Building empty lot category. The group will also be responsible for making recommendations on the disposition of the forfeit residential lots in “target” neighborhoods.
2. Maintain an accurate inventory of all vacant and boarded buildings under public control.

The City of Minneapolis Inspections Department currently lists all vacant and boarded buildings on its web site, [WWW.CI.Minneapolis.MN .US](http://WWW.CI.Minneapolis.MN.US). This data is updated weekly. Printed reports can be obtained from the Inspections Department for a \$5.00 charge or free on the web site.

- The Boarded Building Task Force will continue to meet monthly to monitor boarded buildings and address problem properties in a more efficient manner. The review of the existing boarded building inventory will help eliminate inaccurate information and improve communications among the various jurisdictions and departments.
3. Identify potential barriers to productive reuse.

Barriers to reuse includes the condition of existing dwelling units, the zoning attached to the parcel, and conflicting reuse plans at the city and neighborhood level.

- It is recommended that MCDA shorten the process for acquisition of dispersing properties and develop a more streamlined process that requires less elected official involvement. There is a need to change the application process with MCDA so that the process is not so long. Perhaps shortening up the length of time for review of the application and for public opinion would be an option.
- Flexibility is needed in the code enforcement area. We need to ensure that Health and Safety Issues are resolved, but be flexible on less critical matters. This will enable the property to be affordable to new ownership. The Task Force should help develop the criteria with Inspections to do this.
- Neighborhoods, which used their NRP money to help with demolition, should be reimbursed when the property is sold. This has been handled 1) as a special assessment against the property for the city or 2) an allocation of the TFL forfeiture funds, settled annually to the city.

4. Devise strategies to prevent at-risk buildings, from becoming boarded and to quickly return privately owned structures to productive reuse, drawing on private development interest where possible.

Hennepin County currently uses a forfeit property repayment tax plan as provided for in Statute to assist owners from losing their property. Ten year repayment plan for residential and a five year repayment plan for commercial.

In order to identify properties before they deteriorate the City is initiating a neighborhood information to provide data that helps avoid future boarding.

- We need to link the private property owners with public resources. A liaison could be established to help the public obtain these properties and provide information on sources for fix-up etc. This individual could also monitor all vacant and boarded buildings for grass, debris etc, and have the authority to order clean ups.
 - Hennepin County Taxpayer Services has a data base PIN system. An undeliverable tax statement could turn in to an alert system. Someone do a follow-up as to the reason for the return such as death, moved, nursing home etc. Develop and share data with the public on the MNIS system regarding properties for both the City of Minneapolis and Hennepin County.
 - Neighborhood groups should be routinely notified regarding the status of all boarded buildings and empty lots through the Minneapolis/Hennepin County Collaborative.
5. Develop criteria for public acquisition of privately owned buildings.

The City of Minneapolis does not acquire properties; MCDA is their agency that handles the boarded buildings and empty lots.

The City does this frequently in areas, like Hi-Lake where redevelopment is contemplated. The City generally develops these criteria in conjunction with neighborhoods in a public process allows for a 45-day comment period before official adoption.

- Non-delinquent abandoned or boarded building structures need to be followed up on. This process would be part of the liaison position responsibilities.
 - Align the financial and support system together and make the properties more accessible to low-income people.
6. Work to streamline the tax forfeiture process.

Five-week expedition redemption programs through the Property Tax Department carried out by MCDA works very well and are a very good program. Under this plan the property forfeits within five weeks, if under two conditions, 1) abandoned, 2) delinquent, which would be ten year for residential and five year for commercial.

- Bring as many properties forward as possible and further coordinate with the MCDA process.

7. Legislative issues –

We need to first identify if the current processes work that is in place. If they do not work, identify what is broken and fix it. Last would be to change legislation.

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Other:

The Inspections Department is the driving force to handle the Boarded Buildings and empty lots in the City of Minneapolis. The Inspections Department has the ability to enforce the city ordinances and enforce state statutes. Inspections handles the illegal dumping, long grass, uninhabitable properties, and demolition. This does not have to be a negative experience but in fact positive approach to safe, affordable housing and a base for a better tax benefit. All of this is within the Inspections control. With that, strong support as well as assistance must come from the other jurisdictions such as the community at large, property owners, Hennepin County and MCDA in order to make the process successful.

The Inspections Department along with the City Attorney's Office are implementing proactive approaches such as TRA program which keeps people in their homes. Hennepin County can help with pollution problems, taxes, and payment programs. MCDA can work with low interest loans or develop an affordable new home project with sweat equity or devote vacant lots to develop affordable housing.

Another concern besides the boarded properties is vacant lots in the city. The vacant lots are not on the Boarded Buildings list because they do not have structures. These lots can be a problem with long grass, trash, illegal dumping, parking, kids hang out, etc. and should be tracked in a consolidated data base. We also need to look at best practices in other cities in the Metro Area or across the country such as Seattle or Chicago.

The redevelopment of boarded buildings has been slowed by the state requirement for payment of "minimum bid appraised value" of tax forfeited properties within targeted neighborhoods. This requirement is especially difficult for MCDA to acquire a significant number of properties in a time of scarce development funds. The BBTF has recommended a Hennepin County/MCDA Memorandum of Understanding (MOU) that will increase the redevelopment of tax-forfeited property within Minneapolis' targeted neighborhoods. The MOU will defer the payment of "minimum bid appraised value" until the property is developed and/or sold. This deferral will conserve MCDA development funds and reduce administrative delays.