

Minneapolis puts squeeze on problem housing

With foreclosures booming, City Hall recommended three actions to combat the empty-house epidemic.

By [STEVE BRANDT](#), Star Tribune

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With foreclosures exploding, Minneapolis City Hall is stepping up the pressure on housing violations.

A City Council panel Wednesday took three actions aimed at problematic properties as the number of new foreclosures in the city last month hit 344 properties. The committee recommended that the full council:

- Revoke a rental license for an unprecedented 45 rental properties associated with Roseville-based TJ Waconia, a firm that the FBI has said it is investigating for mortgage fraud.
- Triple the annual fee charged against vacant and boarded housing to \$6,000 in an effort to recover some of the city's costs for dealing with them.
- Impose a new \$1,000 fee on residences that convert to rental units that intended to pay for an immediate inspection to make sure they meet the city's rental licensing standards.

Although it was coincidental that the three actions wound up on the agenda of the Public Safety and Regulatory Services Committee, together they amount to a heightened city response to the epidemic of empty homes in some neighborhoods.

The tripling of the vacant housing registration fee follows an analysis of the costs incurred by the city in monitoring the number of boarded properties has swollen from about 250 in 2005 to more than 800 now.

Powderhorn resident Sara Bergen applauded the move. "This will place the costs on the unscrupulous owners who create them," she said.

Besides running a \$1.4 million problem properties unit, the city incurs police, fire, rubbish cleanup and other expenses at vacant houses, Inspection Director Henry Reimer said. Total costs exceed \$2 million.

"It's unfortunate that we have to collect this money. But somebody has to pay for it and it shouldn't be the taxpayers," said Council President Barbara Johnson.

The \$1,000 fee to inspect houses that are converted to rental use exempts nonprofit housing and units recently constructed or remodeled. It also will help finance an employee whose job will be to track down unlicensed rental units.

After opposition from apartment owners, a proposal to charge a \$1,000 inspection fee every time a rental unit is sold was dropped.

The full council plans to act on the recommendations at its Feb. 29 meeting. Tenants at the nine occupied houses whose licenses are being revoked have been sent to the city's housing office for help in dealing with their displacement, said Janine Atchison, a city manager.

Steve Brandt • 612-673-4438