



**Request for City Council Committee Action
From the City Attorney's Office**

Date: March 30, 2004

To: Community Development Committee

Subject: Amending Title 12, Chapter 249 of the Code of Ordinances relating to Housing: Vacant Dwelling or Building, Nuisance Condition.

Recommendation: That the Committee recommend the proposed ordinance amendment be approved and adopted by the City Council.

Prepared by: Henry T. Reimer, Assistant City Attorney (673-2872)

Approved by: _____
Jay M. Heffern
City Attorney

Presenter in Committee: Henry T. Reimer

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget at this time.
(If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

Chapter 249 of the Minneapolis Code of Ordinances provides for the abatement of vacant hazardous and nuisance buildings. The ordinance authorizes three methods of nuisance abatement. Nuisance buildings may be abated by: 1) an order to demolish the structure; 2) an order requiring the owner to rehabilitate the building; or 3) the city may elect to rehabilitate the building and assess the costs against the property. The

proposed amendment allows for more effective and flexible use of the different methods of nuisance abatement.

Historically, Chapter 249 has been used almost exclusively to demolish nuisance buildings for which rehabilitation is not economically feasible. As the 249 list has gotten shorter, most of the buildings remaining on the list are good candidates for rehabilitation. The most deteriorated buildings, most obviously requiring demolition, have been taken down. Furthermore, although it can make way for new construction, demolition does not preserve affordable housing stock.

The proposed amendments enable Chapter 249 to be more broadly utilized to abate nuisances and preserve housing stock.

The amendments will complement efforts to bring more 249 cases to order owners to rehabilitate nuisance properties. The number of buildings on the 249 list has been reduced from 150 at the end of 2002, to about 120 at present. At its peak in 1993, there were more than 500 buildings on the 249 list of boarded properties. Many of the buildings remaining on this 249 list are good candidates for rehabilitation. Rehabilitation orders will be more effective when accompanied by the imposition of conditions that encourage compliance, such as the requirement of a performance bond.

The amendments also enable the City to utilize the third avenue for abating nuisance buildings, City-funded abatement. Currently, City-funded rehab is limited by ordinance to no more than the estimated cost of demolition. This is usually less than \$10,000. This limit is far too low to make City-funded rehab a viable option. An increase to this limit would give the City the flexibility to use this nuisance abatement tool under appropriate circumstances.

The City Attorney's Office has been working to secure a source of funds to stock a revolving fund to finance rehabilitation of 249 buildings and buildings subject to a Tenant Remedies Action (TRA) filed by our office. CPED has identified additional funds that could be used in this effort to abate nuisances and preserve housing stock. The costs of City-funded rehabilitation can be recouped via special assessment.

The City Attorney's Office, Inspections and CPED have been working together on an implementation plan should the proposed amendments be enacted.

Summary description of proposed amendment:

The proposed amendment does two things. First, it makes clear that an abatement order may include the imposition of appropriate conditions, including that of a performance bond. Second, it raises the cap for city-funded rehabilitation to fifty percent of the estimated after-rehabilitation market value of the property.