

**CITY OF MINNEAPOLIS
NUISANCE CONDITION PROCESS REVIEW PANEL**

**In the matter of the Appeal of
Director's Order To
Demolish the Property
Located at 1611 22nd Avenue N.
Minneapolis, Minnesota.**

**FINDINGS OF FACT,
CONCLUSIONS, AND
RECOMMENDATION**

This matter came on for hearing before the Nuisance Condition Process Review Panel on October 9, 2008, and December 11, 2008, in City Council Chambers located in Minneapolis City Hall. At the October 9, 2008 hearing, Burt Osborne, chair, presided and other board members present included Denise Lingwall, Bryan Tyner and Elfric Porte. At the December 11, 2008, hearing Burt Osborne, chair, presided and other board members present included Patrick Todd, Bryan Tyner and Elfric Porte. Assistant City Attorney Lee C. Wolf was present as *ex officio* counsel to the board. Brian Young, Wayne Murphy and Tom Deegan represented the Inspections Division. Laura Hage, Attorney at Law appeared on behalf of the owner, United Homes, Inc. Based upon the Board's consideration of the entire record, the Board makes the following:

FINDINGS OF FACT

1. 1611 22nd Avenue N. is a single-family dwelling in the Jordan neighborhood. The 1.7 story house was built in 1906. The building is 1,121 square feet with 660 being on the first floor and 461 being on the second floor. The building sits on a 5,500-square-foot lot.
2. The property located at 1611 22nd Avenue N. is in disrepair. The building was boarded by the Minneapolis Police Department on June 7, 2006, and has remained vacant and boarded since that time. An interior view of the property shows a need for extensive repair work

to bring the property up to the current code. The building has mold in the basement, a furnace in disrepair, rotting floor joists, missing copper piping, and severe water damage.

3. The Assessor rates the overall building condition as average minus and uninhabitable.

4. The Inspections Division of the City of Minneapolis determined that the property at 1611 22nd Avenue N. met the definition of a Nuisance under Minneapolis Code of Ordinances (hereinafter "M.C.O.") § 249.30. The applicable sections of M.C.O. § 249.30 provide that *(a) A building within the city shall be deemed a nuisance condition if:*

(1) It is vacant and unoccupied for the purpose for which it was erected and for which purpose a certificate of occupancy may have been issued, and the building has remained substantially in such condition for a period of at least six (6) months.

(2) The building is unfit for occupancy as it fails to meet the minimum standards set out by city ordinances before a certificate of code compliance could be granted, or is unfit for human habitation because it fails to meet the minimum standards set out in the Minneapolis housing maintenance code, or the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty (60) days.

(3) Evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building; or

(4) *Evidence, including but not limited to rehab assessments completed by CPED, clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.*

5. Pursuant to M.C.O. § 249.40(1) the building was examined by the Department of Inspections to ascertain whether the nuisance condition should be ordered for rehabilitation or demolition. Considering the criteria listed in M.C.O. § 249.40(1) the Inspections Department found:

- a. The estimated cost to rehabilitate the building is \$93,749 to \$185,508, based on the MEANS square footage estimate. The assessed value of the property in 2008 is \$57,100; the value in 2007 was \$125,000.
- b. The after-rehabilitation value of the property is \$42,000 as determined by the CPED contracted appraiser.
- c. The Preservation and Design Team staff conducted a historic review of the property, finding that the property does not have historic integrity and the demolition will have little or no adverse impact on historical neighborhood context. The team supports demolition and has signed and returned the demolition permits.
- d. The Jordan Area Community Council and property owners within 350 feet of 1611 22nd Avenue N. were mailed a request for a community impact statement. The Department of Inspections received one in return. The statement indicates that the property has a negative impact on the community because it is not taken care of. It recommends demolition and calls the property an eyesore.

e. The vacant housing rate in the Jordan neighborhood is around 8%. Of the approximately 951 houses on the city's Vacant Building Registration, 114 are in the Jordan neighborhood, a neighborhood of approximately 2,015 housing units.

6. The property located at 1611 22nd Avenue N. was sold at a sheriff's sale on October 24, 2006, with U.S. Bank National Association submitting the highest bid in the amount of \$183,575.97.

7. In the early summer of 2008, United Homes, Inc. purchased the property.

8. Taking into account the criteria listed in § 249.40(1) a notice of the Director's Order to Raze and Remove was mailed on August 1, 2008, to United Homes, Inc.; Argent Mortgage Company; AMC Mortgage Services; HomEq Servicing Corp. and Shapiro, Nordmeyer and Zielke. On August 22, 2008, Laura Hage Esq., on behalf of the owner, filed an appeal on indicating that United Homes, Inc., had recently purchased the property and had the intent and ability to rehabilitate the property and eliminate the nuisance condition.

9. At the October 9, 2008 hearing Laura Hage and the owners of United Homes Inc., presented their rehabilitation estimate which was significantly lower than the Department's estimate for rehabilitation. The matter was continued until December 11, 2008 to allow the new owner to meet with Department staff to determine if an agreement could be reached to rehabilitate the property.

10. At the December 11, 2008, hearing the Department indicated that a restoration agreement had been reached between the Department and United Homes Inc., pending approval of this panel and City Council.

CONCLUSIONS

1. The building located at 1611 22nd Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(1) as the building is vacant and unoccupied for the purpose for which it was erected and the building has remained in such a condition for a period of at least six months.

2. The building located at 1611 22nd Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(2) as the doors, windows and other openings into the building are boarded up or otherwise secured by a means other than the conventional methods used in the original construction and design of the building, and the building has remained substantially in such condition for a period of at least sixty days.

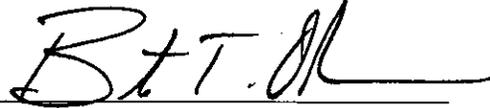
3. The building located at 1611 22nd Avenue N. meets the definition of a nuisance condition as set forth in M.C.O. § 249.30(a)(3) as evidence, including but not limited to neighborhood impact statements, clearly demonstrates that the values of neighborhood properties have diminished as a result of deterioration of the subject building.

4. The owner has shown that it has the financial ability and the necessary skill to rehabilitate the property to a level where the property will no longer constitute a nuisance condition and be a detriment to the community.

5. Pursuant to M.C.O. § 249.40 *Abatement of nuisance condition*, the Director of Inspection's recommendation to rehabilitate the building located at 1611 22nd Avenue N. is appropriate.

RECOMMENDATION

That the Director of Inspections' recommendation to rehabilitate the building located at 1611 22nd Avenue N. be upheld.

 1/22/09

Burt Osborne
Chair,
Nuisance Condition Process Review Panel