



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

Date: October 21, 2009

To: Council Member Don Samuels, Chair – Public Safety & Regulatory Services Committee

Subject: Nuisance Condition Process Review Panel Recommendation regarding appeal of Director's Order to Raze and Remove structure located at 1111 28th Avenue Northeast

Recommendation: Adopt findings of the Nuisance Condition Process Review Panel to uphold the Director's Order and demolish the property located at 1111 28th Avenue Northeast

Previous Directives: None

Department Information

Prepared by: Kellie Rose Jones – 673-3506

Approved by:

Rocco Forté, Assistant City Coordinator for Emergency Preparedness & Regulatory Services

Henry Reimer, Director of Inspections

Thomas Deegan, Manager Problem Properties Unit

Presenters in Committee: Thomas Deegan and Lee Wolf

Financial Impact

- Action is within the Business Plan

Community Impact

- Neighborhood Notification of NCPRP
- Consistent with City Goals

Supporting Information

This matter came before the Nuisance Condition Process Review Panel on August 6, 2009 and was continued. It returned to the Panel on September 10, 2009.

My Truong, of J & M Homes II, LLC, appeared and stated that he recently bought the property and plans to rehabilitate it.

The Nuisance Condition Process Appeal Panel voted to recommend that Council uphold the Director's Order to demolish the property.

Background

An order to demolish the property was sent on June 22, 2009. J & M Homes II, LLC filed an appeal stating "Some cracks in foundation, interior of home is in decent repair needs little work inside."

1111 28th Ave NE is a duplex in the Audubon Park neighborhood. The 2 story structure was built in 1908. The building is 1,520 square feet and sits on a 3,384 square foot lot.

The property has been determined to be substandard. A recent inspection revealed that the foundation is failing. A structural engineer's evaluation would be required for any repairs. Additionally, there is rotting siding, hazardous electric/wiring, an illegal retaining wall, and the property needs a new furnace.

In 2008 the City of Minneapolis levied \$13,850.00 in special assessments against the property.

The city has hired contractors to resolve four nuisance violations since 2007, including removing rubbish from the property three times and cutting grass once.

The estimated cost to rehabilitate the building is \$50,483.00 to \$76,848.00, based on the MEANS square footage estimate.

The 2009 assessed value of the property is \$177,500. The 2008 assessed value was \$186,500.

The estimated cost to demolish the structure is between \$14,500 and \$17,500.

The Audubon Neighborhood Association and the owners of properties within 350 feet of 1111 28th Ave NE were mailed requests for a community impact statement. The department received two responses, one of which stated that the property has a negative impact on the neighborhood and should be demolished.

Staff has met with the property owner to discuss the possibility of a restoration agreement. The owner provided a plan with an estimated cost of \$55,500.



1111 28th Avenue Northeast
Nuisance Condition Process Review Panel Hearing
Thursday, August 6, 2009

Appeal received from J and M Homes II, LLC	July 6, 2009
Director's Order to Demolish Sent	June 22, 2009
Added to Vacant Building Registry	June 18, 2008

Owner

J and M Homes II, LLC filed an appeal stating that “Some cracks in foundation, interior of home is in decent repair needs little work inside.”

Structure description

1111 28th Ave NE is a duplex in the Audubon Park neighborhood. The 2 story structure was built in 1908. The building is 1,520 square feet and sits on a 3,384 square foot lot.

General condition

Property has been determined to be substandard. A recent inspection revealed that the foundation is failing. A structural engineer's evaluation would be required for any repairs. Additionally, there is rotting siding, hazardous electric/wiring, an illegal retaining wall, and the property needs a new furnace. There are 7 open housing orders.

The city has hired contractors to resolve four nuisance violations since 2007, including removing rubbish from the property three times and cutting grass once.

The City Assessor's office rates the overall building condition as “Average Plus.”

In 2008 the City of Minneapolis levied \$13,850.00 in special assessments against the property.

Market analysis

Vacancy Rate: In 2000 the vacant housing rate in the Audubon Park neighborhood was around 3.2%. Of the approximately 822 houses on the city's Vacant Building Registration, 16 are in the Audubon Park neighborhood, a neighborhood of approximately 2,321 housing units.

Cost to Rehab: The estimated cost to rehabilitate the building is \$50,483.00 to \$76,848.00, based on the MEANS square footage estimate.

After Rehab Market Value: CPED contracted appraiser has determined the after-rehab market value to be \$165,000.

Assessed Value: The 2009 assessed value of the property is \$177,500. The 2008 assessed value was \$186,500.

Cost to Demolish: The estimated cost to demolish the structure is between \$14,500 and \$17,500.

Community impact

The Audubon Neighborhood Association and the owners of properties within 350 feet of 1111 28th Ave NE were mailed requests for a community impact statement. The department received two responses, one of which stated that the property has a negative impact on the neighborhood and should be demolished.

Architectural and historic value/designation

The Preservation and Design Team staff has conducted an historic demolition review of the property. The report states that the property would not impact the City's Historic Resources and has signed the wrecking permit.

Notification summary

The Order to Raze and Remove the Building was sent by certified mail to:

1. Homecomings Financial LLC, 9350 Waxie Way, San Diego, CA 92123
2. U.S. Bank National Association, 60 Livingston Ave, St Paul, MN 55107
3. Henry A Mezquita, 1601 Morgan Ave N, Minneapolis, MN 55411
4. Yamil Rivera Aguirre, 1111 28TH AVE NE, Minneapolis, MN 55418
5. Shapiro, Nordmeyer & Zielke, 7300 Metro Blvd, Suite 390, Edina, MN 55439

Recommendation

Demolition.