

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

**In the matter of the Appeal of
Director's Order To
Demolish the Property
Located at 618 25th Avenue N.
Minneapolis, Minnesota.**

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

This matter came on for hearing before the Nuisance Condition Process Review Panel on July 9, 2009, Patrick Todd, acting chair, presided and other board members present included Bryan Tyner, Gerri Meyer and Grant Wilson. Assistant City Attorney Lee C. Wolf was present as *ex officio* counsel to the board. Wayne Murphy represented the Inspections Division at the hearing. Jerry Filla Esq. of Peterson, Fram & Bergman, on behalf of U.S. Bank Home Mortgage, owner of the property, was present. Based upon the Board's consideration of the entire record, the Board makes the following:

FINDINGS OF FACT

1. 618 25th Avenue N. is a single family home in the Hawthorne Neighborhood. The 1.7 story structure was built in 1900. The building is 1,900 square feet and sits on a 5,332 square foot lot.
2. The property located at 618 25th Avenue N. has been determined to be substandard. Copper piping has been stripped. Interior walls are severely damaged. Siding is in disrepair. Foundation has deteriorated. Windows need replacement. Property has sustained substantial water damage. The property has been found opened to trespass on three occasions since June 2008, two of which required boarding by City-hired contractors. In 2008, the City of Minneapolis levied \$1,083.00 in special assessments against the property.

3. The Assessor rates the overall building condition as fair but uninhabitable.

4. The Inspections Division of the City of Minneapolis determined that the property at 618 25th 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.*

(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 located at 618 25th Avenue N. 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 \$104,160 to \$147,840 based on the MEANS square footage estimate. The assessed value of the property for 2008 was \$119,500. The 2009 assessed value of the property is \$89,500.

b. The after rehab market value as determined by the CPED contracted appraiser is \$130,000.

c. The Hawthorne Neighborhood Council and property owners within 350 feet of 618 25th Avenue N. were mailed a request for a community impact statement. The Department of Inspections received four (4) in return. All four responses stated that the property should be demolished based on the long-term neglect of the property.

d. In 2000 the vacant housing rate in the Hawthorne Neighborhood was around 8%. Of the approximately 845 houses on the city's Vacant Building Registration, 99 are in the Hawthorne Neighborhood, a neighborhood of approximately 2,015 housing units.

e. The Historic Preservation and Design staff has reviewed the property and determined that the property does not constitute a historic resource and have signed off on the wrecking permits.

6. The building located at 618 25th Avenue N. was added to the City's Vacant Building Registration and condemned for being a boarded building on August 25, 2008, and has remained vacant and boarded since that time.

7. The property located at 618 25th Avenue N. was owned by Brenda Ring who defaulted on her mortgage. A Sheriff's foreclosure sale was held and U.S. Bank Home Mortgage gained title to the property after the redemption period expired.

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 March 30, 2009, to Minnesota Housing Finance Agency c/o U.S. Bank Home Mortgage; Brenda Ring; Irwin Mortgage Corp.; Peterson, Fram & Bergman; Community Reinvestment Fund and Minneapolis Community Development Agency. On April 16, 2009, Peterson, Fram & Bergman P.A. filed an appeal on behalf of the owner stating "Owner needs to consult with other parties who have insured the loan (HUD and Minnesota Housing Finance) to determine if any sources of funding are available for redemption and would like some additional time to consult and view the property." The matter was then set for hearing on July 9, 2009.

9. At the July 9, 2009, hearing Jerry Filla of Peterson, Fram & Bergman stated that the owner did not oppose demolition.

CONCLUSIONS

1. The building located at 618 25th 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 618 25th 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 618 25th Avenue N. meets the definition of 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 building located at 618 25th Avenue N. meets the definition of nuisance condition as set forth in M.C.O. § 249.30(a)(4) as evidence clearly demonstrates that the cost of rehabilitation is not justified when compared to the after rehabilitation resale value of the building.

5. The building located at 618 25th Avenue N. meets the definition of a nuisance condition as defined by M.C.O. § 249.30 and a preponderance of the evidence, based upon the criteria listed in M.C.O. § 249.40, demonstrates that the building needs to be razed. The building has been vacant and boarded approximately one year. This property has been neglected to the point that it has had a negative impact on the community and will continue to have a negative impact if it is not removed.

RECOMMENDATION

That the Director of Inspections' Order to Raze the building located at 618 25th Avenue N., Minneapolis, Minnesota, be upheld.

Patrick Todd
Acting Chair,
Nuisance Condition Process Review Panel