

MINUTES OF THE LEGISLATIVE HEARING
ORDERS TO REMOVE/REPAIR, CONDEMNATIONS,
ABATEMENT ASSESSMENTS AND ABATEMENT ORDERS

Tuesday, October 12, 2010
Room 330 City Hall, 15 Kellogg Blvd. West
Marcia Moermond, Legislative Hearing Officer

The hearing was called or order at 10:05 a.m.

STAFF PRESENT: Steve Magner, Department of Safety and Inspections (DSI), -- Vacant Buildings; Paula Seeley, Inspector, DSI; Christine Boulware, Planning and Economic Development (PED), Historic Preservation Commission (HPC); Matt Dornfeld, DSI –Vacant Buildings; Mike Urmann, DSI Fire Inspection

7. Ordering the owner to remove or repair the building(s) at 578 Thomas Avenue within fifteen (15) days from adoption of resolution. **(CHP 11/3)**

Nghi Huynh, Property manager, appeared.

Ms. Moermond requested a staff report. Mr. Magner stated that 578 Thomas is a two story, wood frame duplex on a lot of 4,792 square feet. According to the file, it has been vacant since November 21, 2008. The property owner is Kien Tuan Le, per Ramsey County. The City has had to board the building to secure against trespassing. There have been six (6) Abatement Notices since 2008; there's been thirteen (13) Work Orders for boarding/securing; improperly stored refuse, garbage and misc debris; removal of tall grass and weeds; and removal of snow and ice. On June 15, 2010, an inspection of the building was conducted; a list of deficiencies which constitute a nuisance condition was developed and photographs were taken. An Order to Abate a Nuisance Building was posted on July 23, 2010 with a compliance date of September 3, 2010. As of this date the property remains in a condition which comprises a nuisance as defined by the legislative code. The Vacant Building registration fees have gone to assessment. Taxation places an estimated market value of \$17,300 on the land and \$55,900 on the building. A Code Compliance Inspection has not been completed and the bond has not been posted. Real Estate taxes are current. Code Enforcement Officers estimate the cost to repair this structure to exceed \$75,000; demolition starting between \$10,000 and \$13,000.

Ms. Boulware, HPC, stated that this building was constructed in 1899. This area was identified in 1983 survey as part of the potential Frogtown Historic District. Staff identifies this as a potential historic resource, not necessarily individually but as part of context.

Mr. Huynh explained that there was a tornado touchdown and hit the roof of the house. The insurance paid to have the roof repaired. Unfortunately, while they were repairing, they left the roof open for an evening and it rained. There was damage to the ceiling, floor and plumbing. The insurance agent came again to inspect. Mr. Huynh hired a plumber and paid him \$9,700. He hired a general contractor for all of the other work who hired others because he knew nothing, really. Mr. Huynh said they needed to give him \$5,000 deposit. Because he didn't do anything, Mr. Huynh sued and got back \$2,700. A Mr. Huynh suggested a short sale rather than let the building go into foreclosure. A negotiation with GMAC failed so the owner gave up. Mr. Huynh found a potential buyer with some money; he contacted a different general contractor who estimated repairs at \$17,000. Mr. Huynh stated that the house is

beautiful; its structure is sound and the neighborhood is good. He thinks that with everyone working together, the house can be rescued. They can rehab it up to City code. Mr. Huynh lives not too far away so he can do the maintenance. He cuts the grass and looks at the place very week.

Ms. Moermond stated that it sounded as though Mr. Huynh had been working very hard trying to coordinate all of the parties. There will be a number of things that Mr. Huynh will need to do in order to get time to do the rehab. A Code Compliance Inspection needs to be scheduled/done right away. A lock box needs to be obtained; a \$5,000 performance bond needs to be posted and financial proof must be presented. Ms. Moermond asked whether she understood Mr. Huynh when he said that the owner doesn't want to do anything right now. Mr. Huynh said that was correct but he is trying to negotiate. The mother of the buyer will need to come up with the financial support to do the repair. This will buy time to figure out a work plan. Given the complexity of this situation and the lack of willingness on the part of the mortgage owner to resolve this problem, perhaps, the building will get demolished before this is resolved.

Mr. Magner asked whether the mortgage company was going to reduce the price and the amount that they've already received from the insurance company. Mr. Huynh responded that the mortgage company kept the money from the insurance company and after they were shown the problem, they reduced that to \$13,000.

Ms. Moermond noted that another option which might work for this circumstance is to talk to the City or the local non-profit development corporation to see if they have funds to use. All of those non-profit developers can receive property without having to jump through all of these hoops to get it fixed. She recommends that Mr. Huynh look into that. She asked that he provide the City with all of his contacts at the bank so that the City can make sure they are aware of what is going on.

Ms. Moermond stated that she will recommend more time if the following conditions are met by _____: 1) apply for a Code Compliance Inspection; 2) the \$5,000 Performance Bond must be posed; 3) provide a lock box with combination for access to the interior of the building; and 4) provide financial documentation indicating the ability to complete the repairs.