



3315 6th Street North
Appeals Panel Hearing
Thursday, September 11, 2008

Appeal Received from Peterson, Fram & Bergman on behalf of owner US Bank National Association	August 19, 2008
Director's Order to Demolish Sent	August 1, 2008
Redemption Period Expires	December 1, 2008
Sheriff's Sale; Amount Owing, Including Taxes, \$295,327.92; Final Bid \$100,000	May 28, 2008
Condemned for boards	May 1, 2008
Fires	February 21, 2008 February 14, 2008
Randy and Sabreen Hammad purchased the property; Original Mortgage \$287,725	December 12, 2004

Owner

US Bank National Association, Trustee for Lehman Brothers Structured Asset Investment Loan Trust SAIL 2005-4, c/o Chase Home Finance, LLC, 10790 Rancho Bernardo Rd, San Diego, CA 92127

Represented by Paul W. Fahning, Peterson Fram & Bergman, Suite 800, 55 E. Fifth St., St. Paul, MN 55101-1718.

Peterson, Fram & Bergman, on behalf of US Bank NA, has filed an appeal of the Director's Order to Demolish, saying "The redemption period has not yet expired. As a result, the foreclosing lender is unable to take sufficient action to renovate at this time. Foreclosing lender believes that renovation is economically possible."

Structure description

3315 6th Street North. is a two-family home in the McKinley neighborhood. The 2.2 story structure was built in 1910. The building is 2392 square feet, with 1196 being the first floor and 1196 being the second floor and 800 being the basement. The building sits on a 7222 square-foot lot.

General condition

The building sustained a fire on February 21, 2008, causing damage in the basement, first, and second floors. Special assessments in 2008 total \$12,581.75 which includes boarding the garage, cutting grass, vacant building registration, police boarding first and second floor windows and doors, police board-up after the fire, remove scrap wood and other rubbish (twice). In 2007 police originally authorized the boarding when approximately 35 people were partying in the house (it is believed former tenants had keys). Two administrative citations totaling \$660 were also issued.

In addition, there is an outstanding water bill totaling \$887.93. Service has been terminated because of nonpayment.

Market analysis

Vacancy Rate: The vacant housing rate in the McKinley neighborhood is around 10%, according to the 2000 census. The foreclosure crisis likely makes that rate obsolete. Of the approximately 931 houses on the city's Vacant Building Registration list, 57 are in the McKinley neighborhood, in a neighborhood of approximately 1167 housing units.

Cost to Rehab: The estimated cost to rehabilitate the building is \$162,852 to \$270,428, based on the MEANS square footage estimate.

After Rehab Market Value: CPED staff appraiser has determined that the after-rehab value of the home would be \$143,500.

Assessed Value: The assessed value of the property is \$238,500 (2008). This value is unchanged from 2006 and 2007.

Cost to Demolish: The estimated cost to demolish the structure is between \$23,000 and \$27,500.

Community impact

The McKinley Community Association and the owners of properties within 350 feet of 3315 6th Street North were mailed a request for a community impact statement. The department received five in return. Four said the house has a negative impact on the neighborhood, does not fit the housing needs of the neighborhood and should be demolished. One neighbor stated, "The blight of this burned out building is awful! Get rid of it. It fit the housing needs at one time, was once beautiful!" One neighbor stated that the duplex can be reworked.

Architectural and historic value/designation

The Preservation and Design Team staff has conducted an historic demolition review of the property. They support the decision to demolish. The wrecking permit has been signed and returned to Minneapolis Development Review.

Notification summary

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

1. Randy Hammad, 1438 Danube Road NE, Fridley, MN 55432
2. More Valu Food, Attn: Randy Hammad, 2600 Cedar Avenue S, Minneapolis, MN 55407
3. BNC Mortgage, Inc., PO 19656, Irvine, CA 92623
4. MERS, Inc., PO Box 2026, Flint, MI 48501
5. Peterson, Fram & Bergman, PA, 55 East Fifth Street, Ste. 800, St. Paul, MN 55101
6. Chase Home Finance, LLC, 10790 Rancho Bernardo Road, San Diego, CA 92127

The letter sent to More Valu Food was refused by the new owners. Certified mail return receipts were received from all other recipients.

Recommendation

Demolition.