

CITY OF SAINT PAUL OFFICE OF THE CITY COUNCIL 310 CITY HALL 15 WEST KELLOGG BOULEVARD SAINT PAUL, MN 55102-1615 Marcia Moermond, Legislative Hearing Officer

EMAIL: <u>legislativehearings@ci.stpaul.mn.us</u> PHONE: (651) 266-8585 FAX: (651) 266-8574

July 19, 2022

Matthew Lindquist and Jim Lindquist VIA EMAIL: <u>matthewElindquist@gmail.com</u>

Re: Follow-Up on Rent Stabilization Determination appeal for property at 1029 Raymond Ave.

Dear Mister Matthew Lindquist and Mister Jim Lindquist:

Your comments of July 12, 2022 were attached to the City Council record for their consideration of your appeal. In the normal course of events, those comments would stand alone, but you have asked for additional information on my findings and recommendations which I will provide ahead of the Council public hearing.

Per this request, I am outlining my reasoning relating to the inclusion of natural gas, water and sewer charges being considered a part of a proposed rent increase. In reaching my conclusion, I relied on the definitions of rent and housing services from the Residential Rent Stabilization ordinance. Here is the link to the Residential Rent Stabilization Ordinance for you reference: https://library.municode.com/mn/st._paul/codes/code_of_ordinances?nodeId=PTIILECO_TITXI XCOPR CH193AREREST I have provided the relevant provisions below.

Saint Paul Legislative Code Sec 193A.03 Definitions

Unless otherwise expressly stated, the following terms shall, for the purposes of this chapter, have the meanings indicated in this section:

- (d) Housing services. Housing services include but are not limited to repairs, maintenance, painting, light, hot and cold water, elevator service, window shades and screens, storage units, kitchen, bath, and laundry facilities and privileges, janitorial services, utilities that are paid by the landlord, refuse removal, furnishings, telephone services, vehicle parking spaces, the right to have a specified number of occupants, and any other benefit, privilege, or facility connected with the use or occupancy of any rental unit. Housing services to a rental unit shall include a proportionate part of services provided to common facilities of the building in which the unit is contained.
- (g) *Rent.* All monetary consideration charged or received by a landlord concerning the use or occupancy of a rental unit pursuant to a rental agreement.
- (h) Rental agreement. An agreement, oral, written, or implied, between a landlord and a tenant for the use or occupancy of any rental unit.
- (i) **Residential rental unit**, rental unit, or unit. Any dwelling unit, or portion of a dwelling unit, that is rented or otherwise made available for rent for residential use or occupancy, together with all housing services connected with the use or occupancy of such property. This term shall not include the following:



- (j) Residential rental property. Residential rental property shall have the same meaning as residential rental unit, rental unit, or unit as defined in section 193A.03(i) of the Code.
- (k) Tenancy. The right or entitlement of a tenant to use or occupy a rental unit under the terms of a rental agreement.
- (1) Tenant. A person who is occupying a rental unit in a residential building under a rental agreement that requires the payment of money or exchange of services, as well as other regular occupants of that unit.

The rent currently being charged to tenants under the lease agreements includes the provision of natural gas, water, and sewer charges. They are "housing services," per the ordinance's definition. A re-packaging of housing services to eliminate those services from the monthly rent, simply to be billed separately does not represent a *de facto* change in rent, given the separate charge still constitutes rent as defined in the ordinance. Indeed, rent is defined simply to include "ALL monetary consideration charged or received by a landlord concerning the use or occupancy of a rental unit pursuant to a rental agreement." (emphasis added) It is for this reason I am recommending that the rent increase be limited to 15%, inclusive of the natural gas, water, and sewer charges.

With respect to the unit(s) where you will have more tenants, you can apply for an additional rent increase for those units in the circumstances you describe. These specifics were not a part of the appeal.

As indicated in my letter of July 12, this matter is scheduled for **City Council Public Hearing on Wednesday, July 20, 2022 at 3:30 p.m. in City Council Chambers, Room 300 Saint Paul City Hall**.

Should you wish to contest the recommendation and testify at the public hearing, there are several ways to do so:

- Testify in person at the hearing;
- Provide written testimony for inclusion in the Council record please direct this to the attention of my team at legislativehearings@ci.stpaul.mn.us; and/or
- Sign-up to provide testimony by phone at the public hearing you will need to do this no later than noon the Tuesday July 19, 2022 here: <u>https://www.stpaul.gov/department/city-council/city-council-public-hearing-live-testimony</u>

Also note, the Council's complete meeting agenda is available online and accessible from this link: <u>https://stpaul.legistar.com/Calendar.aspx</u>. If you have any questions, please contact Mai Vang or Joanna Zimny at 651-266-8585.

Sincerely, /s/ Marcia Moermond Legislative Hearing Officer

c: Saint Paul Rent Stabilization Staff
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