



City of Saint Paul

15 West Kellogg Blvd.
Saint Paul, MN 55102

Meeting Minutes - Action Only

Legislative Hearings

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651-266-8585

Tuesday, October 25, 2022

9:00 AM

Room 330 City Hall & Court House/Remote

9:00 a.m. Hearings

Remove/Repair Orders

- 1 [RLH RR 22-48](#) Ordering the rehabilitation or razing and removal of the structures at 523 BEAUMONT STREET within fifteen (15) days after the September 21, 2022, City Council Public Hearing. (October 25, 2022 Legislative Hearing)

Sponsors: Brendmoen

Refer back to LH December 13, 2022 at 9 am for update on foreclosure status and rehab vs. demo based on CCIR. PO to submit updated letter from financial institute indicating it will address all items in the CCIR.

*Ed Drops, Greater Midwest Realty o/b/o GITSIT Solutions, appeared via phone
Araiza Hargrove, GITSIT Solutions, appeared via phone*

Staff update by Supervisor Joe Yannarely: they were supposed to have the property cleaned out and ready for Code Compliance Inspection by last Friday and contact Nathan Bruhn to arrange that inspection.

Moermond: and we just talked to Mr. Bruhn and he said he hasn't heard from you yet. Let's begin with that conversation. Has been cleaned out and we're waiting for that inspection?

Drops: he was on a couple of emails where I explained the property has been cleaned, but I have not phoned him.

Moermond: our team can send an email but I want Mr. Yannarely to go by and eyeball it to make sure it is cleaned out so we aren't spinning our wheels again. I did receive this letter dated October 21 indicating that GITSIT plans to dedicate the funds necessary to do the work outlined in the order, and I want to clarify that it wouldn't be the work in the Order to Abate a Nuisance building, it would be the work in the Code Compliance Inspection Report. In order to reoccupy a building in this condition it has to meet minimum code compliance standard. I need a revised letter indicating that it is that Code Compliance Inspection Report.

Hargrove: Ed has been keeping us in the loop, so yes, we are prepared to do those

things.

Moermond: I'm curious if you have an update on where you are at in the foreclosure process?

Hargrove: as of right now the main issue we've been having is the location. Being in Ramsey County it makes it a bit different. Usually, we can shorten the redemption period to five weeks. Ramsey County has 12 months.

Moermond: that isn't true. If you are hearing that it must be due to another reason.

Drops: this was a reverse mortgage, a HECM, and those do have a 12-month redemption period. It is the only foreclosure that has that, outside of a federal tax default.

Moermond: so, it's the type of loan, not the location.

Hargrove: in other counties we can petition for it to be shortened, but Ramsey County doesn't have that due to the type of loan.

Moermond: unusual. So, what is your lawyer talking about on timing?

Hargrove: right now the redemption period is set to expire August 9, 2023. That is when it went to auction and reverted back with no bidders. We are stuck now in that 12-month timeframe. That was our concern about some of the level of repairs. We want to maintain the property because it is in the best interest of everyone. Now we are tied to this \$109,000 bid we set at auction. The more we improve the property the value increases but we're only tied to being able to collect that \$109,000 bid. We're in a tough spot financially.

Moermond: I understand Anthony Pilla has been deceased since 2019. It has been a while.

Hargrove: what happens with the HUD mortgages, it ensures that in the event the originating loan company is unable to fulfill the payout made by the loan, HUD steps in to continue the payments. Once the owner passes away and the loan goes into default they then have an insurance policy that pays them their portion of their policy or whatever they step forward to insure. They don't start the foreclosure. The properties we purchase pull reverse mortgages from HUD throughout the year. They deteriorate, once they are paid out that claim, at some point they package them up and decide to sell to smaller financial institutions like us. We didn't take ownership of the mortgage until January 2022. We immediately issued notices and the foreclosure took place August 2022. We're in California. There was 3 months before we realized something was behind the placard and understood what needed to be done. The magnitude of the repairs, we thought we could rehab and then our attorney told us know.

Moermond: this went into the Vacant Building program September 2021, not long after Mr. Pilla passed.

Yannarely: it was a Category 1 when it came in, but it upgraded to a 2 because it wasn't being taken care of.

Moermond: my question is if the City Council has the temperament to wait for a year to see if it will be rehabbed. Certainly, the Code Compliance Inspection Report and steps

to maintain work in your favor. But I'm putting this out there that this is an exceedingly long time. It may be in your best interest to have someone local come testify to Council. What does your General Contractor tell you?

Hargrove: it is a large spin to rehabilitate the property. Roughly \$98,000.

Yannarely: he was in recently and no problem getting around?

Hargrove: yes, we've had several through.

Moermond: so, a slim margin on that then. I'm going to let that Code Compliance Inspection be developed and let your contractor affirm those numbers once they see that Code Compliance. We can then talk about whether the path is still rehab. We'll talk again December 13 to get it all together.

Hargrove: we are talking to our attorney to reduce the redemption process slightly, six to eight months. That's going through probate and having the court allow that. We've done it in other states.

Referred to the City Council due back on 10/26/2022

2 [RLH RR 22-55](#)

Ordering the rehabilitation or razing and removal of the structures at 1366 FREMONT AVENUE within fifteen (15) days after the October 26, 2022, City Council Public Hearing. (Forthcoming, pending October 25, 2022 Legislative Hearing)

Sponsors: Prince

Refer back to LH December 13, 2022 at 9 am for further discussion of rehab vs. demo, foreclosure status, and ability to prepare property for CCI.

Sam Coleman, Trott Law o/b/o Wells Fargo, appeared via phone

Staff update by Supervisor Joe Yannarely: a \$5,000 Performance Deposit was posted. Code Compliance Inspection has not been ordered. The property must be maintained, which it has been recently.

Moermond: the most recent boarding was August, preceding our conversation. Mr. Coleman, I see the Code Compliance Inspection hasn't been ordered yet but I understand that the house may be completely hoarded and the garage is full to the rafters. What is your client's position on dealing with a junk-out?

Coleman: because they don't own the property yet, it would be simple if it was an eviction. In order to get the property into a condition where the inspection can be done. We would need a court order allowing Wells Fargo to go in and store the personal property, probably on-site. If the City has any suggestions, I'd be happy to listen. We can't junk it out because we don't have any rights to the property right now. I do have a hearing date scheduled.

Moermond: for the sheriff's sale?

Coleman: no, a motion to allow Wells Fargo to access the property and move things to on-site storage.

Moermond: I don't know there's room on site to do that. I would make sure to review the site.

Yannarely: it is a large lot. Talking to the previous inspector, who went out with the Cops, he made it sound like it is more of a hoarding situation, not storage. We don't know what kind of condition the interior would be. To move one pile of garbage from a house into a pod may not be the best use of funds.

Moermond: but it may be necessary to do that Code Compliance Inspection Report. This is a question of loss mitigation rather than profit for Wells Fargo.

Coleman: right, and once the inspection is done then Wells Fargo needs to decide on letting it go versus rehab. They would like to at least have that inspection done, then make a decision. I'm going to have to word my court order a certain way.

Moermond: can you have someone on site to look at it?

Coleman: I can swing by. I haven't been on site.

Moermond: she died 2019 and it would appear family moved in and squatted and they were kicked out the following summer, August 2020. There would have been the state she left it in and then the state squatters left it in after that. It isn't promising. It may be worth going out there with your REO and figure out the best way to word what goes to Court. Maybe some pictures. When in December is the hearing?

Coleman: it is actually November 28.

Moermond: this goes to Council tomorrow. We do have that Performance Deposit. I'm going to ask them to refer this back to hearing December 13. You should have a decision by then?

Coleman: yes.

Moermond: we can use that information to inform how I recommend to the Council we move forward. Maybe whoever you plan to have do the junk out would want to put eyes on it the same time. 75% full can equal a lot of money.

Yannarely: yes, \$30,000 to \$40,000.

Referred to the City Council due back on 10/26/2022

3 [RLH RR 22-56](#)

Ordering the rehabilitation or razing and removal of the structures at 771 IOWA AVENUE WEST within fifteen (15) days after the October 26, 2022, City Council Public Hearing. (Forthcoming, pending October 25, 2022 Legislative Hearing)

Sponsors: Brendmoen

Refer back to LH November 22, 2022 at 9 am. PO to begin getting bids based on CCIR.

Joseph Yanta, owner, appeared

Staff update by Supervisor Joe Yannarely: the Performance Deposit was to be posted

by October 21, that was done. Code Compliance Inspection has been ordered. The property has been maintained.

Moermond: I see you've applied for the Code Compliance Inspection. Lots of concern about the cleanout. How has it been going?

Yanta: it is mostly cleaned out. I believe it is accessible for an inspection.

Moermond: Mr. Yannarely, could you eyeball it and decide whether it is accessible and save the building inspection team a few minutes in case it isn't. Then we'll have that information. The lockbox combination appeared to be in the file.

Yannarely: sure.

Moermond: the Performance Deposit was posted, which is necessary. Refresh my memory, are you wanting to partner to do the rehab or do it on your own?

Yanta: that depends in part on how much work needs to be done. I don't have an agreement with anyone at this time.

Moermond: have any contractors been through to give a preliminary bid?

Yanta: not yet. I was assuming I'd show them the Code Compliance Inspection Report and they'd use that as a guide.

Moermond: that is the way most people do it. Waiting for that report is totally logical. This is scheduled for Public Hearing tomorrow. What kind of financing do you have to do a repair? Do you have it available? Are you seeking it?

Yanta: a little bit, I was assuming I would get a loan. We do have some cash reserves for an emergency.

Moermond: I would talk to your bank; they aren't necessarily friendly to give loans for projects of this nature. Do your homework on that so there aren't any bad surprises. This goes to Council tomorrow and I'll ask them to send this back to hearing on the strength of that Code Compliance Inspection being orders and Performance Deposit posted. I am hoping it is cleaned out sufficiently.

Yannarely: I will go out before noon tomorrow, but they are scheduled already to go out I see.

Moermond: if they go out and it isn't cleaned out you can be put to the end of the line which can cause problems. I'll ask Council to send this back for us to talk again November 22. By then you'll have your Code Compliance Inspection Report and you can begin getting bids and we can talk about scope of the project and next steps then.

Yanta: when would I have to provide that affidavit and proof of finances?

Moermond: the reason we put that in there, besides wanting to know you have enough to do the work, the estimate from staff you should look at is the cost, if not more in this environment. So, you can prepare yourself it would be this much money and how you would tackle this much money.

Yannarely: you'll know so much more when you have the trades through. We can just

guess on how old the house is, how much a furnace costs, those types of things.

Moermond: hopefully you will have some bids next time we sit down to talk.

Referred to the City Council due back on 10/26/2022

4 [RLH RR 22-19](#)

Ordering the rehabilitation or razing and removal of the structures at 694 SHERBURNE AVENUE within fifteen (15) days after the May 25, 2022, City Council Public Hearing.

Sponsors: Thao

Grant 180 days to rehabilitate the property.

*Tia Lee, owner, appeared
Mai Vang interpreted*

Staff update by Supervisor Joe Yannarely: please continue to work with zoning to complete process of reestablishing nonconforming use.

Moermond: and updated work plan including labor costs. When we got that it was missing a ton of items on the Code Compliance Inspection Report so that needed to be addressed.

Lee: last week I came down to meet with them about the zoning. I have submitted the work plan.

Moermond: it sounds like Zoning is recommending you have this be a duplex again on the condition you bring it back into compliance, which is the plan we're talking about. It sounds like we and the Planning Commission are in the same place. I'm going to put this in front of the City Council November 9 and recommend you get the 180 days to do the work. I have to say I'm a bit concerned you won't get this done, so please prove me wrong. I'm glad you'll be able to rehab this as a duplex, I know that makes it more valuable for you and provides more housing in the City. DSI can begin issuing permits Monday October 31, after the planning commission meets this Friday.

Referred to the City Council due back on 11/9/2022

5 [RLH RR 20-22](#)

Ordering the rehabilitation or razing and removal of the structures at 678 SNELLING AVENUE NORTH within fifteen (15) days after the May 27, 2020 City Council public hearing. (To refer to October 25, 2022 Legislative Hearings, pending roof permit is pulled and finalized)

Sponsors: Jalali

Layover to LH November 8, 2022 at 9 am for further discussion.

*Lisa Kugler, consultant, appeared via phone
Gene Gelgelu, AEDS, appeared via phone*

Kugler: we have a meeting here at 11.

Moermond: we can lay this over a couple weeks, my questions will be about timing and when and if we pull the plug. We have a lot of decision points here. We will talk again

in 2 weeks.

Laid Over to the Legislative Hearings due back on 11/8/2022

- 6 [RLH RR 22-54](#) Ordering the rehabilitation or razing and removal of the structures at 342 THOMAS AVENUE within fifteen (15) days after the October 12, 2022, City Council Public Hearing. (Legislative Hearing October 11, 2022)

Sponsors: Balenger

Layover to LH November 22, 2022 at 9 am. PO to submit evidence of financing, affidavit, construction statement/work plan, bids & schedule by COB November 18, 2022.

Laid Over to the Legislative Hearings due back on 11/22/2022

- 7 **RLH RR 22-63** Ordering the rehabilitation or razing and removal of the structures at 1011 BURNS AVENUE within fifteen (15) days after the December 7, 2022, City Council Public Hearing.

Sponsors: Prince

Remove within 15 days with no option to rehab.

Referred to the City Council due back on 12/7/2022

- 8 **RLH RR 22-64** Ordering the rehabilitation or razing and removal of the structures at 686 MINNEHAHA AVENUE WEST within fifteen (15) days after the December 7, 2022, City Council Public Hearing.

Sponsors: Balenger

Remove within 5 days with no option to repair.

Referred to the City Council due back on 12/7/2022

10:00 a.m. Hearings

Making Finding on Nuisance Abatements

- 9 **RLH RR 22-61** Second Making finding on the appealed substantial abatement ordered for 698 DESOTO STREET in Council File RLH RR 22-17.

Sponsors: Brendmoen

Layover to LH November 8, 2022 at 10 am. (CPH 11/9) PO to submit updated schedule and proof of financing if necessary by COB November 4, 2022.

Referred to the City Council due back on 11/9/2022

- 10 [RLH RR 22-60](#) Making finding on the appealed substantial abatement ordered for 975 HUDSON ROAD in Council File RLH RR 22-18.

Sponsors: Prince

Layover to LH November 9, 2022 at 10 am (CPH 11/16). PO submit 1) updated financial statement sufficient for completing rehab, 2) updated schedule (including bids if new contractors) and 3) property must continue to be maintained.

Laid Over to the Legislative Hearings due back on 11/8/2022

Repurchase Application

- 11 [RLH OA 22-10](#) Making recommendation to Ramsey County on the application of Frances Nelson Lesicko for repurchase of tax forfeited property at 334 WARWICK STREET.

Sponsors: Tolbert

Recommend allowing repurchase.

Referred to the City Council due back on 11/2/2022

1:00 p.m. Hearings

Vacant Building Registrations

- 12 **RLH VBR
22-54** Appeal of Aychoeun Tea and Oudam Tun Tea to a Vacant Building Registration Fee Warning Letter at 318 EDMUND AVENUE.

Sponsors: Balenger

Waive VB fee for 60 days (to December 5, 2022) and allow permits to be pulled.

Referred to the City Council due back on 11/9/2022

- 13 [RLH VBR 22-48](#) Appeal of Elizabeth Klimmek (Sibet), representing Sibet Renovations LLC, to a Vacant Building Registration Notice at 227 FULLER AVENUE.

Sponsors: Balenger

Layover to November 1, 2022 at 1 pm (due to error in previous letter). PO may submit additional documents proving proof of residence.

Laid Over to the Legislative Hearings due back on 11/1/2022

- 14 **RLH VBR
22-52** Appeal of John Starr to a Vacant Building Registration Notice at 568 SMITH AVENUE SOUTH.

Sponsors: Noecker

Waive the VB fee for 90 days (to December 22, 2022).

Referred to the City Council due back on 11/9/2022

1:30 p.m. Hearings

Orders To Vacate - Fire Certificate of Occupancy

- 15 [RLH VO 22-29](#) Appeal of Daniel Repka, Repka Building Group, LLC, to a Fire Certificate of Occupancy Revocation and Order to Vacate at 278 SEVENTH STREET EAST.
- Sponsors:** Noecker
- Appeal withdrawn by owner.*
- Withdrawn**
- 16 [RLH VO 22-30](#) Appeal of Atnafu Yeshidagne to a Revocation of Fire Certificate of Occupancy and Order to Vacate at 510 SNELLING AVENUE NORTH.
- Sponsors:** Jalali
- Layover to LH November 1, 2022 at 1:30 pm. for further discussion.*
- Laid Over to the Legislative Hearings due back on 11/1/2022**

2:00 p.m. Hearings**Fire Certificates of Occupancy**

- 17 **RLH FCO
22-96** Appeal of Benjamin Roberts to a Re-Inspection Fire Certificate of Occupancy With Deficiencies at 124 LEXINGTON PARKWAY NORTH.
- Sponsors:** Balenger
- Grant to December 31, 2022 for repair of exterior trim and grant to June 1, 2023 for caulking and painting repairs related to September 20, 2022 orders.*
- Referred to the City Council due back on 11/9/2022**
- 18 **RLH FCO
22-98** Appeal of Kjersti Zaragoza, U.S. Department of Veterans Affairs on behalf of Derrick Parker, to a Reinspection Fire Certificate of Occupancy With Deficiencies at 1145 HUDSON ROAD, UNIT #429.
- Sponsors:** Prince
- Grant to December 1, 2022 for compliance.*
- Referred to the City Council due back on 11/9/2022**
- 19 **RLH FCO
22-99** Appeal of Art Anderkay, Beowulf Properties, to a Reinspection Fire Certificate of Occupancy With Deficiencies at 1042 LOEB STREET.
- Sponsors:** Brendmoen
- Grant to September 1, 2023 for compliance with items 1 and 3 of September 16, 2022 orders.*
- Referred to the City Council due back on 11/9/2022**

