



**CITY OF SAINT PAUL**  
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March 24, 2020

Nneka Constantino  
1441 University Avenue W.  
St. Paul, MN 55104

VIA US MAIL & EMAIL: [nneka.constantino@gmail.com](mailto:nneka.constantino@gmail.com)

RE: Remove or Repair of the Structure at 1282 Hauge Avenue

Dear Ms. Constantino:

This is to confirm that on March 10, 2020 at the Legislative Hearing, I stated that in order to receive a grant of time for rehabilitation, the following conditions *were* to have been met by the close of business on March 23, 2020.

1. provide evidence of financing sufficient to complete the project; and
2. provide a revised affidavit dedicating the amount of funds required for the repairs.

However, due to the recent state and local emergency declarations, restructuring of Legislative Hearing and City Council work has occurred. Therefore, **an extension April 22, 2020** will be put in place. The materials you have provided thus far have been reviewed and my comments are below.

**Merrill Edge Cash Management Account:** In both your testimony and the documents you provided, you indicated you will be relying most on your Merrill Edge Cash Management account, which shows a value of \$25,038.50 as of February 28, 2020. (Balance in the 1-page summary shown as \$27,499.) We discussed my concerns over whether this account could be used for this purpose, as you indicated your employer had to approve your expenditures therefrom. My request was that you provide documentation of the decision-making process used by your employer to determine if costs related to the rehabilitation of this property were eligible in this account. You provided general information on the account which I also found was available online. This information did not speak to the question posed. Additionally, within the partial statement from your Merrill Edge Cash Management account was information indicating you already had a margin loan of \$14,196.62, leaving only \$12,967.00 available for your use, potentially on this project. The 1-page summary document of your personal finances did not specify this. In conclusion, I will not accept this account as a financing source for the work, without it being liquidated or used for direct partial payment of contractors prior to the Council vote.

**TCF Accounts:** The TCF accounts you referenced were described by you as Certificates of Deposit and savings/checking. However, the account balance verification statement was very brief and lacked specificity. It's not clear to me that these accounts could be considered liquid assets. Additional information (such as account statements) on this point will need to be provided in order for the TCF accounts to be considered as a financing source.

**Merrill Lynch 401K:** Your Merrill Lynch 401K has an outstanding loan of \$31,664.25. In your 1-page summary you indicated your account had a loan capacity of \$50,000. Given the existing loan, it appears you have an actual available loan capacity in that account of \$18,356. You will need to provide guidelines governing the use of this account to demonstrate that you may take an additional loan. Again, in order to be considered as financing for the project, it needs to become a liquid asset.

**Credit Cards:** Lastly, you listed the credit card limits on several accounts. We do not accept credit cards as evidence of financial capacity to complete the rehabilitation.

It does appear that you have the capacity to complete this rehabilitation, but you will need to convert investments into liquid assets. Indeed, the 3 main accounts you are referencing appear to have the potential to yield approximately \$45,836 liquidated; toward an estimated construction cost of \$31,500. It seems to me there are several ways you could approach this. The I am looking for a *specific proposal* from you. The 1-page summary of potential financing sources does not suffice as a plan or documentation of financing for the project. I will also need a revised affidavit dedicating the amount of funds required for the repairs.

We will do our best to respond to additional information you send in a timely fashion. As indicated earlier, the City Council Public Hearing will be continued from Wednesday, March 25, 2020 at 3:30 p.m. to April 22, 2020 at 3:30 p.m. in Room 300 City Hall.

If you have any questions, please call 651-266-8585.

Sincerely,

*Marcia Moermond*

Marcia Moermond  
Legislative Hearing Officer

c: Steve Magner  
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