Robin Doroshow & Richard Kronfeld

Owners of 1517 Portland Avenue, St. Paul, MN 55104

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Ms. Mai Vang

Legislative Hearing Coordinator | St Paul City Council

310 City Hall, 15 W. Kellogg Blvd, St Paul, MN 55102

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Dear Ms. Vang:

I write in response to Michael Smith's undated letter in opposition to the upward variance granted to us by the City of St. Paul. I will respond to each point in turn.

The first paragraph of Mr. Smith's letter focuses on the sales history of the building including buyer and seller names and relationships, as well as dates and sale prices. Mr. Smith included several attachments including the listing of 1517 Portland Avenue, which is undated, but appears to be from the spring or summer of 2022 prior to our purchase of the building in September of 2022. Additional attachments include listings, all undated, of fourplexes located at 1605 Charles Avenue, 1665 Dayton Avenue, 184 Saratoga Street, and 194 Lexington Parkway. Each of these listings has notations in blue pen, which are not explained, which were presumably made by Mr. Smith.

First, I do not believe that we are litigating any questions regarding the sale of 1517 Portland in September of 2022, making this portion of Mr. Smith's response irrelevant.

Next, Mr. Smith complains about a listing agent inflating rents to make the sale. I do not have any evidence to support or oppose this statement, but in any event, claims, if any, would be against the former listing agent, and again, are irrelevant to this matter.

Mr. Smith claims that his rent increased astronomically without any renovations to the unit or the building. This is patently false. We have made substantial improvements to the building since purchasing it in 2022. Our first project was updating Unit C. Subsequently,

we have replaced faulty pipes in the basement, updated exterior plumbing, and replaced sconces throughout the building, perhaps for the first time, as wires were exposed from old fixtures. We have added perennials to the yard, and most recently, had the full basement and the 4 garages repainted. Most importantly for this hearing, in 2025, we revised plumbing in Mr. Smith's apartment to allow the kitchen sink to function properly, as well as repaired walls in his unit. We had these repairs done **at his request and entered his apartment (plumbers and handyman) with his permission.** A few years ago, we entered his apartment, again with his permission, after Mr. Weber failed to turn off running water in their bathroom, resulting in damage to their apartment and the apartment beneath theirs.

Pertaining to the roommate, both Mr. Smith and Mr. Weber are tenants, fully responsible, jointly and severally, for full rent on the apartment. (See accompanying lease). Strangely, Mr. Smith's letter makes no reference to Mr. Weber, and Mr. Weber has made no claims whatsoever regarding the variance. In fact, it's been radio silence from Mr. Weber. Perhaps Mr. Weber is no longer living in the apartment. I have had no notice from either Mr. Smith or Mr. Weber of any changes in residency, nor has a request been made to release Mr. Weber from the governing lease agreement.

Mr. Smith complains that he fought ludicrous charges such as maintenance. Mr. Smith's father, Paul Smith, requested a meeting and suggested that maintenance costs and testing fees were not permitted to be passed on to renters. After doing a bit of research, I agreed and immediately alerted all tenants that their rent amounts would **not** include those costs. To be clear, those costs were never implemented for any of the building's renters. In fact, Mr. Smith and Mr. Weber benefitted from revision of rents in 2025, as their rent was reduced from $1500 (beginning January of 2025) to $1466 (November of 2025) due to a temporary reduction in utilities costs. See more about reduction in utilities costs below when we discuss revisions made to control heating in the building.

Mr. Smith states that his rent increased from $1030 to $1661. We have no information on what his rent was when he first moved into the building as we did not own the building at the time he moved in. When we purchased the building in 2022, we were informed that rents were $1448, $1448 and $1348 for Units A, B, and D, respectively. This turned out to be true of only Unit A, and the rent we received from Units B and D were $1424 and $1324 respectively. Apparently, the previous owner had reduced rents for some tenants, but either did not communicate that to their realtor, or their realtor did not communicate that to us.

Mr. Smith asks why a tenant should be punished for a bad investment. Again, this is not the matter being litigated. We have no obligation to carry ANY renter. We can ask why we should be punished if this renter doesn't want to pay the amount of rent that the rest of the renters are paying, and that is competitive with rents for other like sized (1050 square feet) 2 bedroom apartments in the neighborhood. In fact, Mr. Smith and Mr. Weber have the LOWEST rent in the building.

Mr. Smith goes on to say that his electric bills have doubled since we purchased the property "with zero help from the landlord." Again, this is not true. Mr. Smith brought this matter to our attention last fall, and I contacted Xcel Energy to see what they could do

about it. I believe that Mr. Smith, through his father, also reached out to Xcel. In fact, I purchased a service contract to cover the entire building and each apartment at our own cost for this very reason. We let Mr. Smith know when the coverage was in place and made an appointment at his convenience for Xcel to come out to try to find a solution. After maintaining extra coverage for several months, and after getting nowhere with Xcel, we again suggested that Mr. Smith or his father reach out to Xcel. I did my best to address the issue. It is each renter's responsibility to pay their own unit's metered electric bill. Any issues with Xcel for their own apartment are the renters to deal with, and even so, we purchased additional coverage in an effort to assist with this issue.

Mr. Smith further contends that he doesn't have a single energy-efficient appliance. There is nothing in his lease agreement entitling him to a certain type of appliance. He states that his stove barely functions. This is the first time we have heard of any issues with the stove or any appliance in the unit. We cannot respond to an issue that is not brought to our attention.

Next, Mr. Smith complains about not being able to control the temperature in his unit. This is a vintage building. If Mr. Smith wants his own thermostat, he may need to move into a newer building. In this building, thermostats are in the two main floor apartments. They are not in the upper units. Tenants are asked to work together to keep the units at a comfortable and reasonable temperature. Due to very high heating bills, we added controls to the system whereby we set the heat to a controlled lower temperature (under lock and key) and provided electric space heaters for tenants to use if they needed to supplement the heat. The comments received from current and past tenants of the second-floor units indicated that it was too warm. At a significant expense, we revised the system, so the heat isn't turned up so high, thereby helping to manage increasing gas costs, or at least keep up with costs as gas prices continue to rise.

We come to Mr. Smith's final two attachments which are meant to bolster his argument that similar buildings in the neighborhood rent at a lower rate. Again, we went through the variance process and provided all information required to receive a variance allowing us to increase rents. We received a variance of 17.97%, a reflection of the fact that costs are rising quickly, and we needed to raise rents to come closer to making ends meet. However, we did **NOT** raise rents the full 17.97% but rather increased it by 15.4% or $195 for this unit. Had we elected to implement the full 17.97% increase, the rent for Unit D would have increased by $227.50 for a new rent amount of $1693.50.

Next, Mr. Smith appointed himself arbiter of what justifies raising his rent, commenting on the tax increase. As owners, taxes are one cost we bear, along with increasing costs of insuring the property, and costs of common area electricity, full building gas, water and trash removal, lawn care and snow removal, all of which are increasing at an alarming rate. Additional costs such as maintenance, testing, general upkeep, and unexpected repairs come up regularly and can be expensive.

Finally, Mr. Smith complains about the building being dated and old. It is old, it was built in 1915. He reiterates that there has been "zero renovation," but I've already addressed that

above. I will also reiterate that we did not implement the full 17.97% increase in an effort to work with our current tenants. We do however need to cover the increasing costs in order to keep the building afloat.

Mr. Smith included in his attachments, listings for two 2-bedroom apartments in St. Paul. The first on Lafond Avenue is in a completely different and less expensive part of St. Paul. Additionally, it is about 200 square feet smaller than Unit D. The second listing is on Grand Avenue near Cleveland, but no address or square footage is provided. The listing however states that it is “historic” and “classic,” indicating another vintage building.

It is unclear whether Mr. Smith wishes to live in a vintage apartment building, or a newer building, but he is certainly under no obligation to remain in Unit D. In accordance with the terms of his lease agreement, 60 days’ notice is required by either landlord or tenant to terminate the lease.

We request that this tribunal affirm the decision of the City of St. Paul in granting our variance, and that Mr. Smith and Mr. Weber pay the amount of $1661 commencing June 1, 2026, and pay the full amount owed retroactive to May 1, 2026. Rent of $1466 was received for May. The amount in arrears for May is $195.

Respectfully submitted by,

Robin Doroshow and Richard Kronfeld