



City of Saint Paul

15 West Kellogg Blvd.
Saint Paul, MN 55102

Minutes - Final

Legislative Hearings

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Tuesday, December 19, 2023

9:00 AM

Room 330 City Hall & Court House/Remote

8:30 a.m. Hearings

Remove/Repair Orders

- 1 [RLH RR 23-58](#) Ordering the rehabilitation or razing and removal of the structures at 378 SIMS AVENUE within fifteen (15) days after the December 20, 2023, City Council Public Hearing.

Sponsors: Brendmoen

*Layover to January 30, 2024 for further discussion, unless work plan, bids, financial plan and affidavit are submitted and approved prior to hearing. (PH on 2/14)
(Rescheduled to 2/13 LH)*

*Wesley Hart, owner, appeared by phone
Bill Purtell, attorney o/b/o Freedom Mortgage Corp, appeared by phone*

Moermond: Good morning, Mr. Hart. Marcia Moermond here with the St. Paul City Council. We also have Bill Purtell, representing Freedom Mortgage, on the line as well as Joe Yannarely, representing the City's Department of Safety and Inspections. We have an update hearing today to check on a couple things. I do see that a performance deposit was posted in mid-November. It looks like the application for a Code Compliance Inspection was made last week. I'll turn it over to Yannarely.

Staff report by Supervisor Joe Yannarely: The \$5,000 performance deposit was posted. The code compliance inspection is still in the works has not been performed yet. Regarding maintenance of the property, we had some orders on removal of a trailer, which was done, but there seems to be a bunch of tires dumped back there now. I didn't issue an order on that, figuring I would bring it up in today's hearing.

Moermond: Hart, were you aware of tires being dumped?

Hart: There might be more there now. Metal has been dumped there too. I'll take it all to the dump.

Yannarely: For context, the neighbor across the alley had an abatement order written and a work order has been sent. This has been prioritized since the alley is blocked.

Moermond: Back to this property, if the tires are there on Friday, orders will get issued?

Yannarely: Yes

Moermond: We're still waiting on Code Compliance Inspection Report (CCIR). Where are you at on contractors?

Hart: We got our permits cleared for electrical and plumbing, and the CCIR will give us a clearer understanding of what's needed for the contractors.

Moermond: "Cleared," meaning?

Hart: Passed by the City inspectors.

Moermond: I see a final was issued on one of your permits on December 1 for plumbing. We'll just expect that the CCIR reflects that. So that's electrical, plumbing, HVAC, mechanical, and the building items. What does that look like in terms of your people's work?

Hart: I'll check on that. I'm not sure. I was thinking that once these electrical and plumbing inspections were done, they now need to go off the CCIR before I could have it cleared by the building inspector.

Moermond: I was just wondering. I'm seeing some final permits from early in 2022 but didn't know if you talked more with those contractors. I'll assume not, and that you just need to reconnect with whoever's going to be finishing up the work here. You'll have your CCIR list soon. What we're looking for after that is a work plan, evidence of funding, and an affidavit that you will be spending the funds on this rehab. Keep maintaining the property. Do you know of anyone interested in this property who wants to testify tomorrow during the City Council meeting? We have you, Mr. Hart. We have Everett Financial doing business as Supreme Lending out of Dallas. We have Mortgage Electronic Registration Systems (MERS), and I'm not sure there's a human being associated with them.

Purtell: There is. I'm them.

Moermond: There's also First Bank and Trust in Roseville. I'm asking because we've got a situation with the public hearing tomorrow, and I'm assuming that you two are the ones who are interested and would be testifying, and I didn't know if anybody had reached out to you on this.

Hart: What's tomorrow?

Moermond: Tomorrow is the regularly scheduled public hearing from the notice back on October 13. It gave you the November 14 Legislative Hearing date when we talked and the December 20 public hearing date. I'm bringing it up because when we moved your Legislative Hearing from last Tuesday to this morning, it inadvertently caused your item to not appear on the December 20 City Council agenda. We're going to be out in the hall flagging anybody who comes down and letting them know that the Council does not have this item in front of them and that we are rescheduling the public hearing. I want to have us talk in January after you have your CCIR and bids in your hand, and then send this back to City Council at the beginning of February. We'll tell anyone who comes tomorrow that we're asking the Council to continue the public

hearing into February and we're continuing to work in Legislative Hearings. My plan is to have things in final shape on January 30 and then have it appear before Council on February 14. If you have plans and financing together before then, you can email it in. Yannarely and I can give you approval to pull permits before getting Council approval. Any questions?

Purtell: Nothing from MERS.

Moermond: I thought you were with Freedom Mortgage?

Purtell: Freedom Mortgage Corporation is the loan servicer. MERS is the record holder of the mortgage. MERS and Freedom Mortgage work together. I'm wearing two hats all the time.

Moermond: We'll get you back at the end of January. If you have materials, send them in. Purtell, you want to be copied, I assume. We're sending correspondence out to both of you, and we'll respond to the work plans and make sure that you're aware of everything along the way, Purtell. Anything you're looking for regarding your client, Purtell?

Purtell: No, they just are going to ask me how this hearing went, if progress is being made, and if Mr. Hart is being cooperative. I can give him a clean bill of health on all that.

Moermond: We will send you a letter after this hearing to follow-up on our conversation today.

Referred to the City Council due back on 2/14/2024

9:00 a.m. Hearings

Special Tax Assessments

- 2** [RLH TA 23-345](#) Ratifying the Appealed Special Tax Assessment for property at 1235 MINNEHAHA AVENUE EAST. (File No. VB2401, Assessment No. 248800)

Sponsors: Yang

Approve the assessment.

Moermond: This Vacant Building Fee will be before Council on January 17. This building would have been in the Vacant Building Program for 8.75 months by then, and therefore I'm going to recommend approval. If Mr. Giles wants to reach out and ask for payments to be divided over five years, that's fine, but I'm going to recommend approval. He's welcome to testify.

Referred to the City Council due back on 1/17/2024

- 3** [RLH TA 23-411](#) Ratifying the Appealed Special Tax Assessment for property at 1235 MINNEHAHA AVENUE EAST. (File No. J2402E, Assessment No. 248301)

Sponsors: Yang

Delete the assessment.

Moermond: This encompasses two excessive consumption bills that come together under one assessment. One bill was from April 27, and the other from May 11. They were discussed in Legislative Hearing on October 3 under RLH TA 23-344. When Supervisor Yannarely and I went through that, we found that there wasn't sufficient documentation attached to the bills, therefore I'm recommending the deletion of this assessment.

Referred to the City Council due back on 1/24/2024

- 4 [RLH TA 24-17](#) Ratifying the Appealed Special Tax Assessment for property at 1235 MINNEHAHA AVENUE EAST. (File No. J2403E, Assessment No. 248302)

Sponsors: Yang

Approve the assessment.

Moermond: This excessive consumption bill was from June 12. This was discussed in Legislative Hearing on October 3 under RLH TA 23-344. There was sufficient documentation of the problem not having been rectified and therefore I'm recommending approval. This assessment only covers one bill, so it's a total of \$169. I will note that there are two other bills forthcoming for both July 10 and July 19. I don't know if they will come forward as one assessment or two separate assessments. We'll find out.

Referred to the City Council due back on 2/14/2024

- 5 [RLH TA 24-23](#) Ratifying the Appealed Special Tax Assessment for property at 1031 SIMS AVENUE. (File No. VB2402, Assessment No. 248801)

Sponsors: Yang

Approve and spread over 5 years.

See Yang, owner, appeared by phone

Moermond: We talked 4-6 weeks ago about the damage from the fire, your trouble working with insurance, and I recommended strongly that you get a Code Compliance Inspection Report (CCIR). I see that you ordered the CCIR a couple weeks after we talked and you have the list now. It was generated Sep 22, 2023. It's quite a long list. Have you talked to insurance about it?

Yang: We talked to our attorney about what we can do, and what we need to contract for. We're checking quotes. The list is really long. We're doing what we can to get back up to code.

Moermond: You're in the middle of what sounds like some kind of litigation with the insurance company, and you've got a lawyer to help you figure out what you can do. This is just sounding complicated. It's been a while since fire in June of 2021. I don't want to make a bad situation worse, but I can't get you out of Vacant Building Program either. As of the public hearing at the end of January, it will have been 8 months in the Vacant Building Program that you'll be getting billed for. I can delay the pain and divide the payment over 5 years. What that means is that if the Council agrees, you will get an invoice for one-fifth of the total amount, likely at the end of January or beginning of February. Whatever isn't paid by November will go onto your 2025 property tax statement, and so on. These are smaller amounts in the future, allowing you to use cash now for rehabilitation. You will also have another Vacant Building Fee coming up that covers June 2024-2025. It might be possible to be done by next fall. If it does get

done, I want to cut you a break on that future period. You will get another bill and you can appeal that as well. We can talk about doing a 90-day waiver and if you can get done before the beginning of September of next year you won't have the fee. If you're done by the end of November, we can cut it in half for the year. I want to help you out with those kinds of things. I don't want to make it worse, but I can't make it go away. Have you talked to Inspector Clint Zane at the Department of Safety and Inspections (DSI)? He's the one who organized the CCIR.

Yang: I thought I'd reach out to everyone I know and then come back and see what Clint's thoughts were. Honestly, at this point we don't even know how we're going to get through this. We're just, step by step, marking off what we can do.

Moermond: What he can help with is finding the things on building list or electrical list that you can do yourself. If this is the property that you live in and is your homestead, then you can do electrical work there too. He can confirm with you how that works and he's going to be able to say if there's anything on that building list that would require a different contractor. Some things might require more engineering. Either way, you still have to pull a permit. Clint should be able to guide you through that. His phone number is on the CCIR.

Yang: I was thinking of talking to him last, but I'll do that first and then go from there.

Moermond: I don't know your insurance situation. I'm glad you have an attorney helping with next steps there. I hope this turns around for you. We will send you an email confirming the details of today's hearing.

Referred to the City Council due back on 1/24/2024

6 [RLH TA 23-406](#)

Ratifying the Appealed Special Tax Assessment for property at 1472 SHERBURNE AVENUE. (File No. J2410A, Assessment No. 248509)

Sponsors: Jalali

Approve the assessment.

Whitney Streeter, owner, appeared by phone

[Moermond reviewed the hearing process]

Staff report by Supervisor Yannarely: A Summary Abatement Order was issue on August 17 to remove mattresses, carpet, and miscellaneous debris from the rear property. Compliance date was set at August 24. It was rechecked on Aug 25 and found to be in noncompliance. A work order was sent to the Parks crew and was abated on September 8. Cost was \$316 with a service charge of \$162 for a total of \$478.

Moermond: Looking at the video, I saw that some of the items like the mattresses were gone but some items remained. Is that correct?

Yannarely: Yes.

Moermond: I see the owner is Sherwin Robinson Young. Any relation?

Streeter: We closed on the house on September 1. We didn't know about this at all when we bought the house. Sherwin is deceased. It seems like his family is out of

state. I think they hired a crew to clean out the house, which is what the neighbors said. They had burned all the mail, so we had no idea this was coming. The earliest I could set up trash service would have been Tuesday or Wednesday (September 5 & 6). I called them then and set it up and asked about bulky pickup. They told me I would have to call back because I was a brand-new account. My dad said he could come by with his pickup and take the entertainment center, carpeting, and mattresses. We sent him the mattresses as a preliminary load but didn't know about any deadline or work order.

Moermond: Setting aside the fact that previous owner is dead, normally what would happen is that the City would say that you were not told by the seller that there was an existing order on the property. The seller is obligated to do so during the closing process. The seller obviously did not do that, and neither did the representatives of the estate who had the legal authority to sell it. In these types of situations, we see one of two things. The first involves the realtor or broker representing the buyer reaching out to their counterpart with the seller and having a polite conversation about responsibility for the assessment and a check is sent to the buyer. The other would involve the title company taking ownership for that lack of disclosure and sending a check to the buyer. You stepped in and took responsibility for getting it taken care of, and I feel bad for you in this. I was looking up what we know about the title company in Ramsey County's database. I got a name, phone, and email for someone at Watermark Title named Cindy Lund. We sent you a packet on December 14 with the orders and videos and such. We could send that also to Cindy Lund and CC you, saying we are sending it on behalf of you and that you were not notified of the existing orders and asking how they can be of assistance. We'll see if the title company will step up. Otherwise, we'll figure out some sort of fallback position. I appreciate you being on top of this without even seeing an order. We'll see what we can do to help so that you're not left holding the bag.

Streeter: So, the next step is that you're going to email them, and then I should probably call them after they receive that email?

Moermond: We will CC you and say that you will be reaching out separately. I want us to send it first, since we have all the links to videos and copies of the orders. February 21 is when this is scheduled before Council. I would like to talk again and see how this all went on February 6.

Streeter: I can ask for that day off work if need be.

Moermond: We can do it by phone to save you time. We'll send you an email at the email address we have for you confirming these details. We will copy you on the email that we send to Watermark Title and hopefully we can get some movement on this so that you don't have this bill.

Laid Over to the Legislative Hearings due back on 2/6/2024

7 [SR 23-247](#)

Review Request by Michelle Schumacher for Ratifying the Appealed Special Tax Assessment for property at 1689 JULIET AVENUE adopted by Council RLH AR 23-14 adopted on March 22, 2023 (File No. VB2305, Assessment No. 238804)

Sponsors: Tolbert

Approve the assessment. New resolution will go before Council on January 24, 2024. (Owner paid assessment)

Michelle Schumacher, owner, appeared by phone

[Moermond reviewed the hearing process]

Staff report by Supervisor Yannarely: This is for the Vacant Building Fee from October 19, 2022, to October 19, 2023. The vacant building folder was closed on July 10th when the property was razed, so it was in the vacant building program for 9 months of the 12-month period. The cost of the fee is \$2,459 plus a service charge of \$157, for a total proposed assessment of \$2616. This property entered the program on October 19, 2021.

Moermond: Ms. Schumacher, what are you looking for?

Schumacher: I purchased the property on Oct 14, 2022. I was actually under contract for a year prior to purchase the home, but he had to get some legal documentation from the government. He was going through a divorce and never received it. After a year of having \$10,0000 sitting there, we decided to cancel the contract. As soon as we did that, he re-listed it and never could find a buyer. We ended up going under contract again, but at a lower price. He signed off at closing that there were no fees or bills associated with the property. At closing on October 14, 2022, both my title company, Executive Title, as well as the seller's title company pulled all Saint Paul assessments prior. There were some that they were able to take out of his proceeds. There may have been an unpaid fee from the year prior. I know there was an assessment, #238804, dated 7/11/2022 to 9/19/22. He must have received bills for that, but again, never paid them and never made us aware. The city does not post any of those vacant building fees or any assessments until there's a gap of time before a pending assessment is posted and we happened to close during that gap. It was not visible by anyone online. Both the seller's and my title company confirmed that. They investigated it and said nothing was posted, so they couldn't pull it out of his proceeds. I was not made aware of it for several months. I didn't even know it existed. When I received a bill, I immediately sent it to the title company and said this should have been caught at closing. They said, "No, it wasn't that. There's this gap in time." So, they sent it. I heard nothing more. I thought that they were able to get the seller to have it paid because it was his bill to pay. We had a custom-built home built there. We took that building down and built a home. I wasn't aware that the fee wasn't paid until 2 weeks ago when I sent everything over to our closer to close on this custom home. I called and spoke to Robert (Humphrey) and had a conversation regarding the fee. Everyone will say, "Yes, there's a gap." I talked to Tanya Panzer about that gap where no one can know the fee is there to take care of it or to make sure it's assessed to the prior owner. This should have been handled at closing when I purchased it, but it couldn't be because it wasn't posted. We took it down. I think I've spoken with you before. I've built probably 50 houses in Saint Paul. We want to make it a better place and feel that this is a penalty. That really isn't fair, for both the house being torn down and our ability to not collect from the previous owner.

Moermond: I'm not going to give you the answer you want. I'm looking at 3 critical pieces. 1. Assessments are for unpaid bills. The bill went to the previous owner on September 19, 2022. 1 month later there is a warning that they have 15 days to pay. That is not yet an assessment. That is a bill that they're given an opportunity to pay. If the bill goes unpaid within a couple weeks of that, it does get sent over as a pending assessment and will populate online. An unpaid bill doesn't go unpaid and un-assessed for more than 3 weeks. That is the gap of time we're looking at. 2. When looking at the September 8, 2022, Truth In Sale of Housing (TISH) disclosure

statement, which should have been provided to you and you should have known to ask for, the vacant building status is disclosed there. That's really between you and the seller though. They're the ones who have to pay for that and disclose conditions of the property. 3. A list of vacant buildings does appear on the city's website and is always up to date. As someone in your business, if you're not using that website, you should be. This would have shown up then as a Category 2 Registered Vacant Building. It's not the City's responsibility to cover a vacant building fee for a 9-month period. I see the responsibility as really being a private matter between you and the seller, and not involving the City at all, but the Council could look at it differently. You paid this already, to take care of it for the upcoming closing, correct?

Schumacher: Yes, to avoid adding more fees. Since the building did come down, and the fee was through, October of this year, I thought I might be able to at least get credited back for the period when it wasn't vacant.

Moermond: The billable period for this fee was 9 months. I don't make recommendations to Council on pro-rating Vacant Building fees of more than 6 months. I will use that as a carrot to get people to take care of business. The council could see things differently. This has been levied already. January 24, 2024 will be when Council sees this. As I said though, I see this as a disclosure matter that was covered in the TISH. The pending assessment doesn't really play a role, in my view. On the City's website, the Department of Safety and Inspections (DSI) has Vacant Building lists which are always updated.

Schumacher: I think we just automatically pull assessments. That's what they do at closing.

Moermond: I get that. We rely on sellers to disclose those kinds of things.

Schumacher: That's how we got put in this situation. But it was months out before we were even notified of it.

Moermond: However, I can't argue that that's the taxpayer's responsibility.

Schumacher: How is vacancy determined? I'm just curious. What does the program do?

Yannarely: One thing I would like to interject that this the fee is covering basically the entire time you owned the property, not the previous owner. He had already been assessed for that for the time he owned it. Since you bought the property in October of 2022, this fee is for the entire time you owned it, not the previous owner.

Moermond: We also have a question about what the Vacant Building Program does.

Yannarely: It monitors the buildings to make sure that they are secure, and they are being maintained and not a nuisance to the city.

Moermond: The cost of the vacant building program is: You take all the vacant buildings that go through the program and the fee is roughly the cost of the program divided by the number of vacant buildings in the program. I think fees recoup about 70% of the costs of running the program.

Yannarely: Some fees have now been doubled.

Moermond: Like a fourth or a third of them have been doubled, yeah.

Schumacher: To your point, yes, I did own it during that time, but I would have gone in and I would have, you know, made a call and done whatever I needed to do to pull it off of that list, since it was coming down. I just didn't realize it existed.

Moermond: That's a liability question for the previous owner. We'll confirm by e-mail, so you have that as well.

Received and Filed

10:00 a.m. Hearings

Special Tax Assessments

- 8 [RLH TA 24-36](#) Ratifying the Appealed Special Tax Assessment for property at 643 ELFELT STREET. (File No. 2401T, Assessment No. 249000)

Sponsors: Balenger

Approve and spread over 10 years.

Moermond: Here we have an emerald ash borer-infested tree being removed for an assessment of \$4097.95. The request is for payments to be made over 10 years. I will make that recommendation to the Council, that they make the assessment payable over 10 years.

Referred to the City Council due back on 1/24/2024

- 9 [RLH TA 24-37](#) Ratifying the Appealed Special Tax Assessment for property at 850 FIFTH STREET EAST. (File No. J2410A, Assessment No. 248509)

Sponsors: Prince

Public hearing continued to June 12, 2024 for no same or similar violation(s), will reduce from \$516 to \$100. Property owner to install motion lights, signage, (fake) camera and cut overgrown vegetation to prevent dumping. Inspector to check on June 4, 2024 and provide update.

Eli Hamann, owner, appeared by phone

[Moermond reviewed the hearing process]

Staff report from Supervisor Lisa Martin: On August 18, a Summary Abatement Order was issued to remove a mattress and other debris from the driveway. A compliance date of August 25 was set. Upon reinspection, it had not been done. A work order was put in and the work was done on September 8. No mail was returned. There is some history of abatement orders here. The cost was \$354 with a service charge of \$162 for a total of \$516.

Moermond: What are you looking for?

Hamann: We have been back and forth to my partner's family in Spokane, Washington. We have 1 year old and we are having relationship issues. These got missed, which is my fault. I thought we got a ticket for it from the City, but never heard

back, or it got lost in the chaos of life. Regarding the history, we bought it 3 years ago from someone who had junk cars. I don't think that shouldn't count against us.

Moermond: You didn't see the order because of commuting to and from Spokane, WA?

Hamann: Yes.

Moermond: I think the history that Martin was referring to was a garbage complaint in July of this year, but you took care of it. It looks like there was one also in July of 2020, but again, no worker order. This might be a location that's vulnerable to dumping.

Martin: The one in July of this year is the same case as what we are looking at today. We were having issues getting a contractor to do the work, so we cancelled the work order, and a new summary abatement was issued. This has all been out there since July. We just didn't have anyone to do the cleanup.

Moermond: Are you moving to Spokane? There are things you can do to make it less of a target by avoiding an overgrown area.

Hamann: We repainted the whole backyard. We have really made the property a lot better to look at from the owner before us. We have done a great service to our neighbors. I'm not as on top of my gardening as I should be, though. I agree that the trash is a problem. When other people dump stuff just like them, it makes it easier to turn a blind eye to what you have in your own yard.

Moermond: I'm seeing a lot of things like lumber, containers, and other things.

Hamann: The lumber is gone.

Moermond: If there's electricity in the garage, a camera and signage indicating camera can help deter dumping. Any other ideas, Martin?

Martin: Just the signage and a motion light can help. Even a fake camera can help.

Hamann: Break-ins have been a problem. The garage door opener was stolen from inside the garage. We think it was the people who used to live here. This will be a higher priority from now on.

Moermond: Council will have a public hearing on this on February 21. I will ask council to continue the public hearing to June 12. You will have had a month or two of good weather to clean up the area by then. If you do that, make it less vulnerable, and don't have other orders, we can get this fee down to \$100.

Hamann: Sounds good.

Moermond: We will send a follow-up email confirming the outcome of today's hearing.

Referred to the City Council due back on 2/21/2024

10 [RLH TA 24-38](#)

Ratifying the Appealed Special Tax Assessment for property at 929 SIXTH STREET EAST. (File No. J2410A, Assessment No. 248509)

Sponsors: Prince

Approve the assessment.

Ivori Crawford, owner, appeared by phone

[Moermond reviewed the hearing process]

Staff report from Supervisor Lisa Martin: A Summary Abatement order was issued on August 17, 2023 to remove a mattress. The compliance date was set for August 24. It was still there upon reinspection, and a work order was completed on September 8 to remove it. No appeal was filed on the order. No mail was returned. Cost was \$298 plus a service charge of \$162 for a total of \$460.

Moermond: What are you looking for?

Crawford: I take full responsibility for never changing my mailing address. It's now a rental and no one was living there. The order came to the property unbeknownst to me. When I went in to pay my November tax, I think it was some kind of sewer charge, I discovered the fee and immediately called to inquire as to why. I pay my taxes and do things by the book. The mattress was illegally dumped. If I was aware, I would have had Aspen Waste pick it up since I get 6 free bulky pickups. I take full responsibility, but it's hard as a homeowner because the tenants that moved out in June trashed the place. I've reported things being dumped that did not belong to my tenants in the past when I received the notices, because normally the tenants would forward me the notice. I'm being penalized for something that wasn't mine and wasn't notified because of the address issue.

Moermond: It does look like we've got an alley property here, and you have some sort of a retaining wall that abuts the alley so that there's a little bit of a visibility issue in the photograph I've got here. It looks kind of overgrown, which can invite illegal dumping. When did your address change?

Crawford: Over a year ago. I agree with being assessed some fee for being irresponsible and not changing it, but I think it's just an excessive amount, because of the tenants moving out in June from the lower unit and the thousands I put in after that. I'm not a slum landlord. When damages are made, I correct them. I can show you pictures of how the unit was left and how I just rehabbed the downstairs after those tenants. I've only owned the property since January of 2000 (meant 2020?), and with the turnover, this is the second time I've had to renovate the upper unit when tenants moved out. I take care and pride in my property. I understand that the area was overgrown. I'm a pharmacist and a single mom of two kids. Life gets busy.

Moermond: This is a duplex you bought in 2020 and you lived there a little bit, correct?

Crawford: Yes, for the first year of pandemic

Moermond: And then you decided to move elsewhere and rent both units?

Crawford: Yes, to be closer to my job and babysitter.

Moermond: It looks like your address is still not current with Ramsey County Taxation online. That will be helpful to get up to date, so that when orders like this come, you will get them. I strongly recommend you do that.

Crawford: I did update it the same day I went it and paid the taxes and saw the

assessment. I was given two numbers, one for assessments and one for taxes to update my address. This was recently, the same day I emailed Mai Vang.

Moermond: That was a couple weeks ago, then. I know you said you're a rule follower, but a big red flag for me here is the lack of having a Fire Certificate of Occupancy (FCO) for this property. It's been a couple years of you doing this. Owner-occupied duplexes don't need that, but if it's completely rented, you do. This means you have not been following the rules for a couple years here and not necessarily adhering to safety codes. It could be perfect, but that's a concern.

Crawford: I'm totally unaware of that. I know when I closed on the property, there were notices for the fire inspection people to come out and they came out. I have a friend who's a volunteer firefighter. He came in and installed smoke detectors. I know nothing about what you're mentioning now.

Moermond: The ones who reached out to you originally because you had bought a rental property, those that would be the inspection program people that we're talking about. You should definitely go to the City's website. I think we could probably even send you a form. You're going to need to get a FCO and get an inspection through the City. When I look at the reason for you not doing the work, I'm really struggling. We have you not updating the address and not taking care of business in terms of getting this inspected as a rental property. I'm inclined to recommend approval of the assessment, but you are more than welcome to ask the City Council for something else. They may see things differently. The public hearing on this is before them on February 21, 2024. You can submit something in writing, testify by phone, or testify in person.

Martin: Just for the for the record, I just wanted to let you know that it looks like Crawford did speak with the FCO program on January 6, 2021. She sent an email and a phone call stating that the tenant had tested positive for COVID, so they couldn't do the inspection. They were going to reschedule it, then on March 21, 2021, she said it was owner-occupied, and it went out of the FCO program.

Crawford: You're saying the inspection did not occur because the tenant reported COVID? As far as I was concerned, the inspection was completed because I didn't receive any other notices.

Moermond: An inspection was scheduled, then delayed because a tenant had COVID. Later, there was a phone call to the fire inspection folks saying that it was owner-occupied and didn't need to be in the FCO program.

Crawford: What was the documentation for that? A call from who?

Martin: The inspector's notes say they received an email and phone call from the property manager yesterday and informed me that the tenant tested positive for COVID and was requesting to reschedule. They agreed to reschedule and were sending a new notice.

Crawford: I never used a property management company. There was a property management company prior to me buying it. I've always been an owner landlord, so that did not come from me. I did not receive any notifications. I'm totally unaware of this program. Like I said, I had a volunteer firefighter who's now an inspector come in and install all new smoke detectors. This is all new to me. This is all a surprise. It's not that I haven't been following the rules. I'm unaware. I don't know what kind of new

homeowner or property owner classes are offered in the City, but I clearly need to look into them because now I'm being assessed this fee, and now I'm being told a property management company who wasn't even managing my property at the time called, and it was closed, and you guys have full documentation.

Moermond: I can tell you why they were contacted. They would have been the ones on file with the City as being the property manager. When you turned it into a rental, you didn't file any paperwork to say that you were the property manager. They were just going off what was already in their file. It comes to the same thing for you, though, in terms of the requirements that affect you. I see that there are a lot of orders in the past, and a couple more recent, because of you not taking care of the address change. It's a repeated thing, and you are being assessed because the work was done by the City. Grace is not being considered because of the address situation. You're not being assessed because you weren't in the FCO program. It's a complicating factor, but that's not the reason for this assessment. The Council could see differently. Will send follow-up letter telling you about today's hearing. I am recommending approval of this assessment.

Crawford: Can you give me the name of the fire program again.

Moermond: We will send that in the email letter, so you have it in writing.

Referred to the City Council due back on 2/21/2024

Special Tax Assessments-Roll

- 11 [RLH AR 24-6](#) Ratifying the assessments for Collection of Property Clean up Fees from September 2023. (File No. J2410A, Assessment No. 248509)

Sponsors: Brendmoen

Referred to the City Council due back on 2/21/2024

11:00 a.m. Hearings

Summary & Vehicle Abatement Orders

- 12 [RLH SAO 23-50](#) Appeal of Udoka C Ofoedu to a Summary Abatement Order at 1386 FURNESS PARKWAY.

Sponsors: Yang

Deny the appeal, noting the nuisance has been abated.

Udoka Ofoedu, owner, appeared by phone

[Moermond reviewed the hearing process]

Staff report from Supervisor Lisa Martin: A Summary Abatement order was issued on December 1, 2023. The compliance date was set for December 8. Everything has been abated.

Moermond: What are you looking for today?

Ofoedu: I just moved the bench away from the side until after this hearing and moved everything out. I just want to make sure the bench is okay. I think Code Enforcement was a little excessive asking for the bench to be removed. I use it in the summer. It is functional. I might get another similar one as well. Everything else in the order was fine to remove. The bench is not debris or taking away from the neighborhood. I would like to keep it there.

Moermond: When I look at the bench, I see wood with some kind of varnish. I wonder if Code Enforcement's concern is that it is an indoor finish on the wood.

Martin: No interior furniture is allowed outdoors. The other issues that we've had with the property in the past involved continuous vehicles on the street that were inoperable and scrapping trailers full of debris. Those are all referred over to the Police Department, who will continue to monitor that. You can't have any type of scrapping or any business running at the property. Right now, we don't have any orders on that, but if you want to have exterior furniture around the fire pit, as long as it's in good condition and it's exterior furniture, we are just fine with that.

Moermond: If the concern is that wood will deteriorate outside, could he finish it to make it okay outside? Would that solve the issue?

Martin: Yes.

Moermond: Is that a reasonable solution?

Ofoedu: So, finish it like exterior furniture?

Moermond: Yes, to prevent the wood from rotting. Inside things being outside need to be finished so they won't rot. If you do that, then we don't have any issues. You took care of the couch, which is good. It sounds like City staff go by there periodically because you've got these other kinds of problems associated with the property.

Ofoedu: I just bought it a year ago. The previous owner is the one with the trailer and scrap materials. I have told him to move it. He's gone now. The property has improved. It has new renovations like siding. The old owner just doesn't listen. Code enforcement should be reaching out to him because it's his trailer. My improvements are helping the neighborhood.

Moermond: If the trailer is gone, that will simply things a lot. The backyard situation has been addressed.

Ofoedu: Moving forward, I will do that with exterior finishing. Will I get a follow-up email?

Moermond: Yes. It will confirm my recommendation to the City Council.

Referred to the City Council due back on 1/10/2024

13 [RLH SAO 23-52](#) Appeal of Marie Eggert to a Summary Abatement Order at 763 WEIDE STREET.

Sponsors: Yang

Grant extension to January 12, 2024 for removal of the pallets, including new items to be issued by Code Enforcement. (Making Finding on 1/16 LH)

Marie Eggers, owner, appeared by phone

[Moermond reviewed the hearing process]

Staff report from Supervisor Lisa Martin: A Summary Abatement order was issued on October 23, 2023. The compliance date was set for October 30. A work order sent and while the work was being done, City staff said that the owner had to file an appeal to stop the work, so an appeal came in partway through the work being completed. This is not a new issue for this property and has been an ongoing problem since 2022. There've been many orders issued on the same situation, including orders from the Fire Department regarding burning pallets in the yard.

Eggers: That order was not for burning pallets. We had a firepit. We never burn them. My husband collects and sells the pallets. Since the first order, we try to keep them on the trailer. No one has explained what compliance is.

Moermond: We can set aside the firepit issue. That was just background and is not before us today. Who is "he?"

Eggers: My fiancé. I'm zoned as light industrial. The first inspector said it was fine if the pallets aren't on the ground, so we put them on a trailer. We transport them from there, and the pallets are turned over every 2-3 days. The pallets you see a few days later aren't even the same ones as before.

Moermond: What inspector told you this was allowed?

Eggers: The first inspector we got after we had an order in the middle of winter. I don't know how to comply. We try our best not to have them on the ground, but my fiancé's truck broke down and pallets piled up. He must comply with his clients' timelines, or we lose those accounts.

Moermond: Was July of 2022 when you had your first interaction with an inspector?

Eggers: I think that's right.

Moermond: You are zoned I1 – Light Industrial. However, two things are in play when talking about the application or the code. The first is the Zoning, which talks about allowed uses. The second is the use that you currently have, which is a residential use. That use is what's looked at when these codes are applied. This is I a single-family dwelling, and so those laws apply here. If you were an industrial use or something else, then the rules for those uses would be the ones in play.

Eggers: None of that was ever explained.

Moermond: The City's nuisance code doesn't list out every possible nuisance, but it does cross reference other kinds of problems. I get your confusion. Navigating code can be difficult. When I checked and looked at the code that's in play, I looked at Chapter 34, which governs maintaining property. For residential properties, Section 6 deals with stored materials, stating that it's unlawful to accumulate and store building material, lumber, boxes, cartons, portable storage containers, cargo containers or other containers, machinery, scrap metal, junk, raw material, or fabricated goods. The pallets qualify as not being allowed for exterior storage. The other thing to tell you about, that isn't explicitly in the order, is that there is a possibility in the zoning code to

have some things as home occupations. Working out of one's own home is allowed, but zoning limits what those things are. All things that happen must happen inside the house. They can't include the garage or lumber manufacturing. There isn't any possibility that it can be approved.

Eggers: You're telling me that I can't have pallets outside or on the trailer at all? That he can't make a living doing this?

Moermond: Not out of a residential property. Some other location would be the way to handle that.

Eggers: He just collects and sells them. I never knew what it was to comply. Code enforcement is taking hundreds of dollars out of our pocket.

Moermond: I need to look at a deadline for the pallets to be gone.

Eggers: This is going to take hundreds of dollars out my budget that I need to replace. Someone should have explained this to us. Parking enforcement said it was okay if a truck was connected to the trailer.

Moermond: Was that on the street? I'm not even sure that's correct, but that's beside the point, as we're not talking about the street, but the property. What I didn't get was an appeal on the actual October 23 order. We could have gotten ahead of this.

Eggers: I thought I complied on October 30. I put them on the truck to comply. It's frustrating that I can't do this even though I'm zoned light industrial. Other businesses operate down the street and down the alley.

Moermond: There are odd sections of town where houses are in industrial areas.

Eggers: Other businesses can make money, but I can't. This will put him out of business. It's not fair at all. I know it's not your fault.

Moermond: Don't worry about me. I'm wondering if you can look around and find a property owner to ask about renting a corner of their space for a very modest rent. There may be a way to keep this business going.

Eggers: I've been thinking I'm doing the right thing. I don't know what the City wants.

Moermond: Do we have Excessive Consumption bills out there?

Eggers: Two of them.

Martin: Two of them, yes, along with the recent cleanup. The forms have all the contact info for talking to the inspectors and information on appealing.

Eggers: I know that now. I just didn't understand.

Moermond: Most people don't know the difference between zoning and use. I'm guessing you have pallets there now. I'm looking at setting a deadline now.

Eggers: You're saying no pallets outside anywhere?

Moermond: I can't answer your question about the public street. I am dealing with the

private property.

Eggers: Is this just for pallets? Are there other things that need to be moved?

Moermond: Ms. Martin, are there other things? I have a May 2023 order about an extension cord. I think that's old.

Eggers: Didn't realize that was an issue.

Martin: The only thing this order specifically calls out is the pallets. Looking at the photos, you can see why. No pallets can be in the boulevard.

Eggers: I understand that things were piled up excessively when they came out. Unfortunately, we didn't have time to get the pallets removed.

Martin: I see a white 4-door vehicle with a trailer attached that's parked on the Boulevard. Parking on the boulevard is not allowed. There are also some blocks and a bunch of furniture in the backyard. I'm not sure if that's still there or not, but you can't have any exterior storage.

Eggers: It all must be gone?

Martin: Yes.

Moermond: Council meets tomorrow and then not again until January 10. If you want to object to my recommendation, you can do so then. I'm setting a deadline of January 12. We'll have a follow-up conversation with you on January 16 to check in, so I can report to the Council if it is not taken care of. If it isn't, I may recommend they authorize the City to clean up the property. That may not happen for another two weeks, so you may have a buffer to still clear things out. You benefit from Council not meeting for a couple weeks. I will send an email confirming these dates.

Eggers: So, we need everything out of the yard with nothing stored outside, including cement blocks?

Moermond: The only thing in front of me is the appeal on the pallets. On other exterior storage, do you have a deadline, Martin?

Martin: It's covered under the general language on the order. We can do a new one if that's helpful.

Moermond: It would be. Fold those orders into this appeal with that same January 12 deadline. Code Compliance will check on it. If it is not in compliance another crew will be sent out. We will touch base on January 16. Ms. Martin, please include us on new orders.

Referred to the City Council due back on 1/10/2024

1:00 p.m. Hearings

Vacant Building Registrations

14 [RLH VBR 23-73](#) Appeal of Peter Lee to a Vacant Building Registration Notice at 770 FOURTH

STREET EAST.

Sponsors: Prince

Deny the appeal, a code compliance inspection required and waive the vacant building fee for 60 days.

*Peter Lee, owner, appeared by phone
Sheng Lee, owner, appeared by phone*

[Moermond reviewed the hearing process]

Staff Report by Fire Inspections Supervisor Leanna Schaff: This was a Fire Certificate of Occupancy (FCO) inspection. It was first assigned to Inspector James Thomas. After a couple instances of the tenant refusing entry, this was reassigned to Inspector Travis Almsted. Again, the tenant did not allow entry after 3 attempts by Almsted. Police met him there on the 3rd attempt on November 21, as the owner stated that he and his workers had been threatened by the tenants. The owner didn't show for that inspection. We then issued orders for allowing access. Outside of this, the Police had served a search warrant at the property on November 29. Police called the inspector out to the building because of bad conditions. The inspector then condemned it due to, but not limited to, a high amount of refuse, feces, multiple broken glass panes, and both exit doors being broken.

Moermond: I see a lot of odd exterior conditions besides the refuse.

Schaff: The inspector noted in November that there were multiple exterior deficiencies like broken windows and other damage that was also noted in October.

Moermond: I see a picture here of a broken window and the glass is on the outside, like it was punched outwards. What happened once it got condemned and referred to the Vacant Building Program?

Staff report by Vacant Building Supervisor Matt Dornfeld: Once it got condemned, it was referred to us and added to the program on November 30 by Inspector James Hoffman. He then issued a Summary Abatement Order for an open window and trash in yard. Upon recheck on December 12, the yard had been cleaned up and the house was secure.

Moermond: What are you looking for as the owners?

P. Lee: I have my mom here. This is a family business. This one has been more than a nuisance. We have tried multiple times to rectify these issues. Earlier this year it looked nothing like this. Regarding the windows, we have repaired them twice and then found them back in the same condition. We've done over \$20,000 in repairs since 2022. We are appealing it being Category 2. We think that with the overall state of the property and the amount of money we have put in; it doesn't warrant that. It needs cleaning up, but the structure and utilities are still in working condition. I can corroborate a lot of what occurred. We were at a loss of what to do with these tenants and have never been threatened by tenants in the way these ones did. We intend to rehab the property and rent it out.

Moermond: Am I correct that you own over 50 properties in the City?

P. Lee: Yes.

Moermond: So, you've been through the eviction process and have had behavior issues before?

P. Lee: We have never had an eviction. We are doing our first one right now actually.

Moermond: Maybe you should have evicted in this case, and then we wouldn't be looking at it now.

P. Lee: We were in the process of evicting. It was not in this state a few months ago when Inspector Thomas was there. It wasn't until the condemnation that they left. I told the Section 8 worker that we would not be renewing the lease and reviewed the process of starting an eviction.

Moermond: That's intention but not execution. What was that about inspector Thomas?

P. Lee: I was just saying that during that inspection with Thomas in April, we didn't have a reason to evict. The tenant had just had a kid and needed help cleaning the property. Conditions weren't as bad. There weren't threats. This all came to a head late September and early October. When I said we didn't intend to renew the lease that was up at end of September, things escalated. Windows were broken and the situation got worse. It wasn't until the end of the summer that we received threats and the eviction conversation started.

Schaff: We received a complaint of a broken window at the end of March, which did not have a screen. There was another complaint of broken windows in May. There are other code issues and summary abatements as well.

P. Lee: We resolved that as quickly as we could.

Moermond: What I'm struggling with is that the primary reason for condemnation was interior conditions, but a lot was visible from the exterior. I'm concerned about the tenant having done other kinds of damage that we can't see. I'm not seeing building permits here. Has no work been done in a long time?

P. Lee: There was a fire in late 2021. James Hoffman was aware. We did repair the building to code and completed that in mid or late 2022. The previous tenant had destroyed the property.

Moermond: I hear you spending all this money, but I'm not seeing permits for doing work according to code. The threshold for doing building repairs and pulling a building permit is a lot less than the \$20,000 you say you've spent. I have no way of knowing if work was done according to code. I see that the FCO was continued, and I see the Form 4 referral here from the fire. It says there was a small exterior fire on the 2nd floor rear of the dwelling, that appeared to be electrical in nature. The gas and electrical had been secured at their meters by Xcel due to water that had leaked into the interior walls. Main power from Xcel did not appear to be the cause of the fire. When I look at what they described inside the wall, that concerns me.

P. Lee: I know it's unconfirmed, but I was out there with Inspector Thomas, and we thought there was smoking out the back and that caused it. The unwritten conclusion was that it was not due to the walls.

Moermond: The lack of building permits to do the work you say has been done, and looking at the fire, this does affect my recommendation on whether this should be a Category 2.

Schaff: There was an electrical permit from December 2021, which was finalized. There was a plumbing permit earlier this year to replace a water heater, which was also finalized.

Moermond: Looks like I was just having technical difficulties.

Schaff: How long had tenants been there?

P. Lee: About a year, I think. For context though, we did have problems with the previous tenant, as I mentioned. They were the ones who caused the fire.

Moermond: Focusing on the definition of a Registered Vacant Building, taken from the moment it was transitioning into the Vacant Building Program when it was condemned, I look at what was encountered. I understand that circumstances have changed, but I focus on what was seen then. Things that fit the description of a Category 2 were it being:

- Unoccupied and unsecured, because of the open window.*
- Unoccupied and condemned.*
- Unoccupied and having multiple housing or building code violations.*

The question is whether you need a code compliance inspection or not. It may be a super small list that results from that. I think there are enough issues though that I can't recommend releasing it from the Vacant Building Program as a Category 2.

P. Lee: My family has been doing this for 20 years. We are asking this in good faith. Things are still completely fine. I can assure you they are. The fire was intentional and not due to the building. It's a nice single-family home. We have just had bad luck with our last 2 tenants. Even now, it is almost cleaned and cleared out. Aside from the doors and windows, nothing major was damaged. We're ripping up carpet and repainting, but everything else is good.

Moermond: That's good. I'm still thinking that trades inspectors should walk through. If you're right, it will be a small list of fixes. That would make sure it's safe for your next tenant. I know you're in this business, but I need a 3rd party to look. The situation with the past tenants doesn't build my confidence or likely neighbors' confidence. There are assurances needed. Circumstances don't give this a pass and make it a Category 1. We need to play this by the book. You meet the definition of Category 2 building. This will go before them on January 10. They will get you a decision then. We will send you a letter confirming this after today's hearing. Is it required that Vacant Building Fee be paid before applying for a Code Compliance Inspection?

Dornfeld: Yes.

Moermond: I will ask Council to deny the appeal but put a 60-day fee waiver on that Vacant Building Fee, to allow you to get that code compliance list done quickly. You still have a few weeks to get your code compliance inspection application in without having to pay the fee. If you can get the repairs done quickly, you're going to be a good candidate for having your fee prorated in the future.

Referred to the City Council due back on 1/10/2024

1:30 p.m. Hearings

Orders To Vacate - Fire Certificate of Occupancy

- 15 [RLH VO 23-35](#) Appeal of Si Nguyen to a Revocation of Fire Certificate of Occupancy and Order to Vacate at 353 UNIVERSITY AVENUE WEST.

Sponsors: Balenger

Lift the revocation and order to vacate, pending sign-off on electrical permit and grant an extension to February 1, 2024 for balance of the items in the order.

Joan Nguyen, o/b/o owner, appeared by phone

[Moermond reviewed the hearing process]

Update by Fire Inspections Supervisor Leanna Shaff: In talking with Supervisor Jim Perucca, as of this morning, he believes there are two different building permits that were pulled, likely days apart. He believes one of them is a duplicate and the other has been finalized. He's working to close the duplicate. There is an open electrical permit related to this project that is ready to get closed out. There are still some deficiencies, but the big sticking points should be resolved shortly.

Moermond: Sounds like it's pretty much done. Nguyen, are you in the same place where the electrical permit is only thing outstanding and that it's ready to sign off? The inspector is expecting a call. All I need to do is recommend that Council lift the revocation, pending sign-off on the electrical permit. All you have to do is get that done. I will push this out to February 1 to give you time. For the financial component, I think we gave you contact info for someone at the Minneapolis Foundation, regarding funds they can give to help with repairs from the civil unrest.

Nguyen: I did not get that contact info. Could it be sent to the Little Saigon email? Sometimes it doesn't get to me.

Moermond: The contact is Russell Betts (rbetts@mplsfoundation.org). It doesn't look like our last letter had that information. He is the project manager for managing their funds. He is the one who reaches out to Mortenson, who was the general contractor, who pulls in other contracting partners. He is the person to talk to. We will send a letter as a follow-up and include this information.

Referred to the City Council due back on 1/17/2024

2:00 p.m. Hearings

Fire Certificates of Occupancy

- 16 [RLH FCO 23-102](#) Appeal of Gayle Markovich to a Fire Inspection Correction Notice at 1429 COMO AVENUE.

Sponsors: Jalali

Grant an extension to July 1, 2024 for the ceiling repairs and vehicle impact barrier by

gas meter; Item #4 withdrawn by Dept; and grant until January 19, 2024 for the remaining balance in the order.

Michelle Markovich, owner, appeared by phone

[Moermond reviewed the hearing process]

Staff Report by Fire Inspections Supervisor Leanna Schaff: A Fire Certificate of Occupancy (FCO) inspection was conducted on November 16 by James Thomas. He noted 7 deficiencies. I believe he spoke with the appellant yesterday to provide clarity, but I would like to get some stuff cleared up today.

Moermond: What would you like today?

Markovich: I have 6 issues, but you said there were 7, so I would like to clear that up. Where there is ceiling damage in the bathroom, there are three areas that will be repaired in the spring. We just had the shingles replaced in the fall and are waiting on the rubber roof in the spring. A temporary fix for the roof was put in, but the contractor wasn't willing to fix the ceiling until the permanent roof fix was completed. I also don't understand item #3, removal of unapproved locks. I went back and looked for additional locks, so I don't know what he was referring to. The locks have been approved by many people. They had to put those locks in 40 years ago. I do understand the railing situation. The building is 150 years old, and we've just never had anyone have an issue with it. I'm apprehensive because of what is on the other side of that wall where the railing would be.

Moermond: There are some other items here. I was just hearing that the tenant didn't like the globes on the light fixtures and removed them, but those need to be there. Is that being addressed?

Markovich: I thought they were broken, but the tenant just put them away because he didn't like them. I put them all back up.

Moermond: Did you have any questions about the gas meter barrier? It sounds like there needs to be a bollard there because the barrier has been damaged.

Markovich: The barrier is fixed, which must have been hit by a snowplow. They're going to remove the barrier and put in concrete and two steel poles to protect the meter.

Schaffer: I would suggest she work with Supervisor Mitch Imbertson on the handrail.

Markovich: I could call in my welder and have it done in 48 hours. I manufacture them.

Schaffer: It sounds like most of this stuff could be handled by speaking with Supervisor Imbertson, so we should continue with him.

Moermond: When I look at the railing and stairwell, it's obvious that the railing always ended where we currently see it. I don't see anything to indicate it went farther up the stairs. There was never an indication of a railing on the other side either.

Schaffer: I'm not seeing evidence of that either. No holes or anything.

Markovich: There was never a railing farther up. It is all original. We haven't changed it from when it was converted to a 4-plex.

Schaffer: Buildings are considered compliant under the code in which they are built. We can't bring everything up to today's code. As much as I would like a handrail there, it doesn't look like it's required. We are willing to withdraw the order on the handrail.

Moermond: That is withdrawn. If you want to do so, you can put one in, but it is not required. Walls on the sides is all you need. I see no problem with the ceiling repair plan. A July 1 deadline should work with that. Regarding locks, I don't know what the situation is. Supervisor Imbertson can look at it. If you could send a photo, he could look at it that way and provide a helpful response. We will include him in the follow up letter we send to you. The globes you've put back on, good. You have the smoke detector affidavit as well, so that's good. The vehicle barrier for the meter will have a July 1 deadline as well, so one follow-up on that and the ceiling. For the remaining items, the reinspection is changed from December 15 to January 19. This will be before Council on Jan 17. If you want to object to my recommendation on anything, you can speak to them. We will send a letter after this meeting confirming all these details.

Markovich: I'm good with that schedule. I'll take photos of the locks and have them by the end of the week.

Referred to the City Council due back on 1/17/2024

3:00 p.m. Hearings

Remove/Repair Orders

- 17 [RLH RR 23-50](#) Ordering the razing and removal of the structures at 594 BRUNSON STREET within fifteen (15) days after the November 1, 2023, City Council Public Hearing. (To refer back to December 12, 2023 Legislative Hearing)

Sponsors: Noecker

Layover to December 28, 2023 at 9 am. Property owner to submit the following conditions: 1) revised work plan, including more detailed schedule and subcontractor bids; 2) document demonstrating financial capacity to complete the rehab (i.e. construction loan, a line of credit or a bank statement); 3) affidavit indicating the amount of fund for the rehab; 4) pay outstanding property taxes and 5) maintain the property.

Elizabeth Klimmek, owner, appeared in person

Moermond: It looks like the Code Compliance Inspection Report (CCIR) is ordered but not performed yet. Not sure why.

Yannarely: CCIR is done as of Dec 8.

Moermond: Sorry, it wasn't reflected here in my paperwork. I see now you've had it for 10 days and have been talking to contractors?

Klimmek: Yes

Moermond: Tell me a little bit about what's going on and what the plans are right now.

How's it looking?

Klimmek: When I bought the property, I was not told that it was going to be condemned. People were in the house. It just turned into a mess since I'm a single mom without a lot of money. I'm behind on the taxes. I'm ready to pay the taxes. I have money. I already got one loan to be able to pay for the taxes. I have another person giving me a loan to be able to do what a contractor estimated as \$80,000 of work. It's less than the City thought.

Moermond: The City's estimate is like a general kind of a thing. It's not like we sent somebody through doing a specific estimate with a list. It's a ballpark. Coming in at \$80,000 is not giving me concern.

Klimmek: He's an affordable contractor, so I'm pretty sure I'll go with him. I think my assistant helping me emailed Joanna the timeline. The timeline is four months, and he broke down how long things will take. I don't know who was supposed to get emailed. We can send the signed estimate from him. The property taxes are twenty-something thousand. Work could commence in just 3 weeks. I think he said he could start January 15. He could maybe start sooner, but we have to figure out if the City wants to tear it down.

Moermond: I did find the CCIR.

Vang: I have the estimate here, forwarded from Joanna. It's just a one-page estimated timeline.

Moermond: Send it to me please. What I'm looking at here is too lightweight.

Yannarely: I have it as well.

Moermond: It's just the one page and seven lines. It has no time estimate. It has no money. It has no bids from subcontractors. I'm thinking he probably knows all that stuff, but just didn't write it down here.

Klimmek: I think that's the estimated timeline, but the actual estimate has maybe not been signed yet. I don't think he had separate bids from other people. He just put what everything's going to cost. He's the general contractor.

Yannarely: Did he break that down by category, like plumbing or electrical?

Klimmek: Yes.

Moermond: I think he has a handle on what needs to be done and the timeline seems reasonable, especially in winter when contractors are more available. If he's estimating \$80,000, I would like to see a breakdown of how that shakes out. I assume he knows what things will cost, but I need it written down for the record. Some contractors, like plumbers, can look at a CCIR list and give a number for what it will cost to accomplish each item. I just want to see how it all adds up. Let's give you some time to get that done with him. What is his name?

Klimmek: His name is Paul Ruoho. The estimate has his license number (#BC725946). He's been a contractor for over 30 years.

Moermond: Does he have subcontractors? He can probably put something together

quickly.

Klimmek: He already did an estimate. If I had 10 minutes, I could make sure my assistant sends it to the Joanna Zimney email today, or for sure tomorrow. I don't remember what the numbers were. I know the electrician that he works with, and the plumber is his relative.

Moermond: This is all quick for him to put together. That's fine with me. I need this so that if we get to 6 months, I can look back and see where things are at relative to the original plan and original cost. I can find out if things are behind because of supply chain issues or other things. Something flimsier makes it harder to go on. I'm happy to work with you at the 6-month mark if that's what we need to do. Let's get that plan in. Where is the money is coming from? Is he doing a loan on the work? Is the loan from a 3rd party?

Klimmek: I have a 3rd party. I have one loan as of now. I can't just sign an affidavit that it will all go towards the rehab. \$20,000 has to go to property taxes. Besides the loan, this contractor is also planning on doing \$5k per week and deferring payment. I can show a bank statement showing a bunch of money and then the other loan that I'm getting is like a second mortgage on the property, because I already have one mortgage on the property. I don't know how I need to show all that.

Moermond: Is the loan for property taxes the same as for the rehab?

Klimmek: Yes. It's \$100,000 total, with \$20,000 for property taxes, but some is also for living expenses.

Moermond: Is the intention to spend, say, \$60k, on this project? I wouldn't need to see anything else. I just need to know what amount is intended. Making up the difference to get to \$80k then is a second mortgage on this property or another property?

Klimmek: Tis property. A lot of times I use hard money lenders. One of them wired me money within the last week. That loan is done. I'm getting another hard money loan as well.

Moermond: When do you anticipate that will come?

Klimmek: I have to start paying interest immediately as soon as they send it. I was hoping to finalize it whenever I have to have that done. You're saying something like 50 or 60 of what I have now can go on another account. It's so expensive every day. So, since the work is not starting for three weeks...

Moermond: Time is money. Is that what his time estimate is? Can he get people started in 3 weeks?

Klimmek: Yes.

Moermond: Okay. If your contractor can get the rest of the information in, once we're satisfied that it's good to go, we can review the financials and green light for pulling permits. We don't need to wait for a Council vote. We're working on tight timing to maybe save you some interest money. We could bring this back to Legislative Hearing on December 28, or jump forward to January 9. It sounds like December 28 is preferred.

Klimmek: If my assistant got you the info in the next 20 minutes, do I need to come back here?

Moermond: We can get the information from you. We've got a schedule. We need the plans. Once we have the plans, we have the the amount of money we know we need to segregate. If I see an account with the right number of dollars in it to pay the contractor and an affidavit saying you're going to spend the dollars in that account on this rehab, I don't need to know how the loan is put together.

Klimmek: Can the meeting be done virtually?

Moermond: It can be done by phone. We will call you next Thursday. We'll look at the rest of the contractor's plans and look at the money then. Hopefully work can start with the new year.

Klimmek: When do taxes need to be paid?

Moermond: Before we greenlight for permits. If everything is in order, we can get approval for permits to be issued on Dec 29.

Klimmek: Can it be an account I already have that has no money in it now but will, or does it need to be a new account?

Moermond: If you already have an account that you can use, that's fine. I want to know how we get to \$80k, either from one fund or multiple funds.

Klimmek: If contractor gets sick, what happens? He's almost 70.

Moermond: If he can start pulling permits on December 29 (they must be pulled in-person because it's a Category 3 Vacant Building), I ask the Council for a 6-month grant of time. The resolution would say we follow up in 6 months. If it's 50% done, the performance deposit is continued and would be looking for updated plans and financials and look at another 6-month grant of time. If it's less than 50%, there could be other options. I may ask Council to require another \$5,000 performance deposit. If you were close to 0%, I would likely ask them to forfeit the original \$5,000 deposit and need something impressive from you to persuade them that you can get it done. If you come back and say the contractor couldn't work for a couple months and fell behind or can no longer work, things can be retooled. I'm not wanting to get you halfway in and then knock down the house. I want to get as much done ahead of time, like having money together, to increase chances of success.

Klimmek: So, it's not end of the world if we don't get done in 6 months?

Moermond: No. We have fallbacks.

Yannarely: Your Vacant Building anniversary is in early May. You will get a \$5,000 bill in early April. Don't pay it. If you're done in June or July, you probably won't have to pay it. In either case, it can be extended in-house about 30 days. Otherwise, you can file an appeal and we can look at maybe doing a waiver on it if work gets done quickly after.

Moermond: For the vacant building fee, we might do a waiver that says if you finish in a certain number of days, you don't have to pay for the whole year. Things are stricter though with Category 3 Vacant Buildings. It is possible to have the fee prorated or

removed though. That would be a conversation to have then about dealing with it as an assessment.

Yannarely: Don't pay the bill and file an appeal on the notice when you get the assessment.

Klimmek: Even at Category 2, I was already getting that fee for a couple years, and they just raised it from \$2,500.

Yannarely: They just raised it to \$5,000.

Moermond: She may have gotten a \$5,000 bill already for this year.

Laid Over to the Legislative Hearings due back on 12/28/2023

18 [RLH RR 23-56](#)

Ordering the rehabilitation or razing and removal of the structures at 1058 JESSIE STREET within fifteen (15) days after the December 8, 2023, City Council Public Hearing.

Sponsors: Brendmoen

Layover to February 27 LH @ 9 am. Owner or potential purchaser to provide the following conditions:

- 1) work plan, sworn construction statement or scope of work, including subcontractor bids and a schedule;
- 2) purchase agreement with addendum indicating transfer of title not allowed until the issuance of Code Compliance Certificate;
- 3) evidence of financing sufficient to complete the rehab;
- 4) affidavit indicating finances will be dedicated for completing the project; and
- 5) potential purchaser to post new \$5,000 performance deposit, unless transfer of deposit to agreeable between parties.

Khuram Siddiqui, attorney o/b/o owner Colleen Pollock, appeared in person

Moermond: The Code Compliance Inspection Report (CCIR) was completed on November 22, after the inspection was ordered on October 20. The performance deposit was posted on December 6 before the Council meeting that day.

Siddiqui: There was some confusion. Pollock thought she had paid it. Because she told me that, I assumed she had. I apologize for that.

Moermond: It was the Vacant Building Fee that she had already paid. Both that and the performance deposit are about \$5,000. We're ready to go on work plans. What I remember is that you weren't 100% sure whether she was going to be selling to somebody who would do the rehab. Am I remembering correctly?

Siddiqui: We have a general contractor who is doing the estimate for how much it will cost. Inspector Zane is coming on Friday, I think, to check because they have to do electrical, HVAC, and various things. There's something specifically he needs to look at on the 2nd floor. I'm going to be there as well, just to observe and listen. You are correct. We had people reach out to us who are interested in potentially buying the property as-is once the estimate is done. We would then be looking at best offers and letting them know that the City needs to sign off before any transfer of title could

occur. Once we have an offer, I would need to show you a contract with the appropriate clauses and show a bank statement from the buyer to show that they have the right to purchase the property and renovate it according to the estimate.

Moermond: I don't know why Zane is going there tomorrow, but great. Is Pollock not rehabbing?

Siddiqui: No. She will not be the owner at the end of the process.

Moermond: I'm thinking that the sharks swimming around on this know how much it will cost to execute the punch list. Some offers will be decent, and some will be lowballs. We won't require evidence of financing or bids from her, but an estimate could help with knowing what a good offer is. Could a broker help with that?

Yannarely: Maybe she could ask Zane for contact info for a general contractor to give a ballpark estimate.

Siddiqui: We have one, and he will be at the meeting with Zane.

Moermond: That will help in thinking through multiple offers.

Yannarely: She's got a general contractor and a lawyer, so she's in better shape than most people in this situation.

Moermond: So, what you need is some time for a person with capacity to do a rehab to make a deal with Pollock. What I look for is a purchase agreement with the addendum that title won't transfer until work is complete and the Certificate of Code Compliance is issued. A purchase agreement is the most common way of doing that, but there are other ways. The one who is doing the work will be responsible for work plans, bids, and financing. The straggler item for you to deal with on your client's behalf is the performance deposit. Her money is on the table now. If someone fails to perform within the grant of time her money could get mixed up in that and she could risk losing her performance deposit. It also prevents us from using it as incentive to finish for the one doing the rehab. She could ask for hers back from Inspector Humphrey and then have the buyer replace the deposit with their own funds. Vang will make sure you have a package of different examples of agreements that have been done in the past. Let's put this on the calendar for February 27, and have a buyer with plans by then. If they want to go faster than that, just reach out to us by email and we can maybe get them greenlighted for permits before then. We are pushing this out to give you enough time, not to delay you. Have the plans to us by February 23 so we have some time to review them beforehand.

Siddiqui: What time for February 27?

Moermond: 9:00 AM.

Laid Over to the Legislative Hearings due back on 2/27/2024