



City of Saint Paul

15 West Kellogg Blvd.
Saint Paul, MN 55102

Minutes - Final

Legislative Hearings

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Tuesday, July 30, 2019

9:00 AM

Room 330 City Hall & Court House

9:00 a.m. Hearings

Remove/Repair Orders

- 1 **RLH RR 19-5** Ordering the rehabilitation or razing and removal of the structures at 718 ORANGE AVENUE EAST within fifteen (15) days after the March 13, 2019 City Council public hearing. (To be referred to Legislative Hearing on September 24)

Sponsors: Busuri

Laid over to October 22, 2019 for updated scope of work and evidence of financing.

Jay Nord appeared

Kris Kujala, Ramsey County, appeared

Kristine Guild, Deputy Director of PED and acting director to HRA board

Ms. Moermond: staff change at PED meant we didn't have a plan to bring it forward. It sounds like you folks now have had a chance to discuss and bring it forward.

Ms. Guild: I've done some due diligence on the proposal from developer from Jay Nord for HRA to act as a pass-through conduit, with Ramsey county acting as agent. Based on that proposal, I do recommend moving forward and take an action to HRA board on August 14th.

Ms. Moermond: once that happens it goes to County for staff review and County Board consideration

Ms. Kujala: yes, I need a certified copy of the resolution and funds of just under \$15,000 to move it to board. According to board's schedule, this won't go until September, earliest is September 17, 2019. There are 3 board meetings that have been cancelled, if we don't make that it would be September 24. Once we receive the county board resolution we can apply for a state deed, which takes 2- 3 weeks. That puts us sometime between October 4 and 11 of getting it back, then we record it, that's the transfer to the HRA. Then the HRA can move forward with the sale to Mr. Nord, so mid-October.

Ms. Moermond: the closing with Mr. Nord, what are you looking for?

Ms. Guild: typically we do those simultaneously, within a day or 2.

Ms. Moermond: I can put this on LH to wrap up plans for Council approval, October 22

Ms. Kujala: October 22 sounds like it would work, but if anything goes wrong at the State, if they lose it which they have done, when you're really trying to get a project through it seems like that's when things go wrong.

Mr. Nord: I'd like to eliminate the blight from the neighborhood as soon as possible, that's weather dependent. The exterior is the source of most of the concern. As a general contractor I'm reminded every day I don't control the weather. Some of that, the further we push this—

Ms. Moermond: ok, October 22 it is. What I'm going to do is schedule a Legislative Hearing that day and ask that we get revised work plans, I don't think we'll need anything else. Ms. Vang can you have this ready to go Council for public hearing Oct 23.

Mr. Nord: does that mean the transfer can only happen after the Council action?

Ms. Moermond: no, you can acquire it anytime, this is giving you time to fix the building and pull permits.

Ms. Guild: is it possible at that Legislative Hearing or Council action that there would still be an order to demolish?

Ms. Moermond: if conditions were met I'd give 180 days to rehab, all the conditions are met, it shouldn't be in the mix at all.

Referred to the City Council due back on 10/23/2019

2 [RLH RR 19-11](#)

Ordering the rehabilitation or razing and removal of the structures at 489 SHERBURNE AVENUE within fifteen (15) days after the March 27, 2019 City Council public hearing.

Sponsors: Thao

Laid over to August 13, 2019 for update.

Laura Orr, SMRLS appeared

Mr. Bryn Knatterud, SafeCity, appeared

Mr. John Tolo, SafeCity, appeared

Ms. Orr: at this point, Mr. Stuff hasn't firmed his interest in entering this purchase agreement, our office's ability to be in contact with him in the last 3 weeks was limited, yesterday was the first time. We now have a better way of getting a hold of him, I want to acknowledge that the conditions in the last letter have not been met. The progress since our last meeting has been remarkable. He understands acting as his own general contractor isn't reasonable. SafeCity has reached out with a plan that seems fair and reasonable, I'm confident in their understanding of community and ability to make a plan. We're asking for two weeks to make the contact to get the documents signed so they can move forward with their plans for rehab.

Ms. Moermond: I have an unsigned purchase agreement here. I want to confirm that you understand the title can't transfer until the conditions are met and C of O has been

issued. I need work plans and financing on this.

Mr. Tolo: we just made contact with Mr. Stuff this past weekend, we talked to Amanda at NeighborWorks, Stuff doesn't have good phone access. Amanda told us if we wrote a letter, he would respond that way if we put it in his sister's mailbox. He called first thing yesterday morning and we had a good conversation about the situation. He expressed his perceived options, he thinks ours is likely the best one right now and was ready to proceed. We normally work on a project like this and have been hustling, we have worked on a number of properties like this, we have 5 properties that are similar. We do have an investor expressing interest in partnering up with us. There's an outline on the back of the letter, dealing with the contract for deed agreement with him first. Part of the issue is the property outside is a mess.

DSI Supervisor Joe Yannarely: we've had 3 work orders in the last few months.

Mr. Tolo: our primary interest is to see if there's some way to help with the property and Mr. Stuff, so we're willing to go clean up now. We deal similarly to Habitat with volunteers, so we're not even under obligations that other organizations are. We have the footprint to fix it and have confident we have a donation of roofing materials. If we can get past this part with DSI.

Ms. Moermond: you have to have your act together to get a grant of time from Council. Volunteers, subcontractors, etc. This is your first Category 3.

Mr. Tolo: the first was going to cat 3 when we started, but because we intervened it was stopped from doing that.

Ms. Moermond: do you have ability to post a \$5,000 deposit

Mr. Tolo: we do.

Ms. Moermond: you say you have an investor, what does that look like in terms of paying contractors?

Mr. Tolo: basically they pay whatever the costs are that they need to pay, they make an agreement how we're setting up the contract for owner of property, we just did one at 741 Pierce Butler, and we had someone who believes in what we're doing and we supervise the project. It took us about 10 months, and it got done. I think we can do the same thing here.

Ms. Moermond: the agreement with the investors would be financing of the project. Any money from SafeCity would also be proof of financing. You'll need to do the footwork to figure this out without having the title in your hands. It reminds me of a case where we had Humboldt HS had a class that was working on a house across the street, it took a long time, I would like to be playful, so everyone is on the same page. It would be great if in this construction season the outside can get buttoned up, roof, siding, windows.

Mr. Tolo: there's only one window broken right now. I think we can get it intact for winter with the window and roof completed by October if we can get this permit.

Ms. Moermond: you don't get permits until we're done here. So, its catching Mr. Stuff. The purchase agreement does specify it won't close until after C of O? Is there an earnest amount he can get?

Ms. Orr: yes, and there are some payments, and I'm looking into the impact on his SSI benefits. The two weeks would be helpful for making sure the agreement meets the City's needs, and SafeCity to read their aspirations and give Mr. Stuff some greater stability.

Mr. Tolo: he needs a social worker. We've already connected with someone.

Ms. Orr: house calls have said they have exhausted their resources. SafeCity has some other resources and people. Staff attorneys at SMRLS are not generally doing real estate documents. We're looking into a volunteer real estate attorney to review and maybe do some drafts. In talking with SafeCity, they pointed out the addendum of the C of O required before closing and transfer.

Mr. Knatterud: I'm using a similar addendum for purchase agreement from 412 Holly.

Ms. Moermond: that's exactly what I wanted to see. Brian Alton pulled a contract for deed arrangement you're asking for 2 weeks, I've found its helpful to stay on top of this. That being said, you need 2 weeks to fill Mr. Stuff in and draft documents.

Mr. Knatterud: on our side the purchase agreement with addendum is all we need to feel confident moving forward.

Ms. Moermond: I assume you have agreements with investors.

Mr. Tolo: I need to follow up on that, I was waiting until I communicated with Mr. Stuff, which finally happened yesterday. I have one investor who has already looked at the property with me who was interested.

Ms. Orr: when you're considering the City's concerns, would bids from volunteer contractors be acceptable in lieu of investment.

Ms. Moermond: yes, in-kind contributions, and a scope of work that outlines those items, cash outlays vs. in-house. That is something that can be taken into account in a scope of work.

Mr. Tolo: we've done this exact process—typically we just go get bids and submit them to the City and then as we fulfill, we deduct what doesn't need to be paid for. We've done that several times. Getting the bids isn't a problem at all.

Ms. Moermond: I am comfortable giving longer than 180 days, but I need to get it to 50% at 180 days. That's something I've done. But I would want to say, if you're not at 50% mark at 6 months I'd be asking for an additional performance deposit in all likelihood. If you are at that I would recommend completing it. 180 days would start at the Council vote. You're up to speed with the water and electric issue? Water is shut off at the stop, electric is off at the pole. That water line likely needs to be replaced, there was an issue during the cleanout process, and found there was significant standing water in the basement and got the water turned off, and for safety the electricity was cut at the pole.

Mr. Tolo: SafeCity's primary interest is to continue building a healthy relationship with the City. We've gone through and dealt with challenging properties, we have a great relationship with Seeger, so we appreciate that relationship. If it doesn't go forward that's fine, I want a good outcome for Mr. Stuff and the house.

Ms. Moermond: You said NeighborWorks you've talked to? When they talked to Mr. Stuff some months ago they indicated it would be November until they possibly had money, and that wasn't guaranteed.

Mr. Tolo: they have no resources for us, they can't get involved.

Ms. Moermond: Layover to August 13, 2019.

Laid Over to the Legislative Hearings due back on 8/13/2019

10:00 a.m. Hearings

- 3 [RLH RR 19-14](#) Making finding on the appealed nuisance abatement ordered for 735 MARGARET STREET in Council Files RLH RR 18-3 and RLH RR 19-1.

Sponsors: Prince

Recommendation forthcoming. (DSI staff confirming percentage completion on project)

Kris Kujala, Ramsey County, appeared.

Ms. Moermond: we were asking Mr. Seeger to have a look at the property, and get a fresh report on percentage complete. Did you get any information directly on that?

Ms. Kujala: no, I didn't, but I think all the permits have been pulled for utilities and work has started and is underway. Exterior is being worked on, painting is next. We can't sheetrock until we pass inspection, plumber hit a delay, so hopefully they can get back on track this week.

DSI Supervisor Joe Yannarely: last I heard was end of June 40%.

Ms. Moermond: that was the last update we had. Ok, so would you like to reach out to him, or should I?

Mr. Yannarely: I will.

Ms. Moermond: I am just looking for a 50% so I can ask Council for an extension. We'll forward that email to you when we get it.

Referred to the City Council due back on 8/14/2019

- 4 [RLH RR 19-6](#) Making finding on the appealed nuisance abatement ordered for 694 SNELLING AVENUE NORTH in Council Files RLH RR 18-27 & RLH RR 18-35.

Sponsors: Jalali Nelson

Nuisance is abated.

Referred to the City Council due back on 8/14/2019

11:00 a.m. Hearings

Summary Abatement Orders

- 5 [RLH SAO 19-39](#) Appeal of Andrew Arlt and Ethan Mooar to a Notice to Cut Tall Grass and/or Weeds at 2237 BERLAND PLACE.

Sponsors: Prince

Appeal was withdrawn by owner, issue was resolved.

Withdrawn

Correction Orders**11:30 a.m. Hearings****Orders To Vacate, Condemnations and Revocations**

- 6 **RLH VO 19-26** Appeal of Christina Harding to a Revocation of Fire Certificate of Occupancy and Order to Vacate at 475 HATCH AVENUE.

Sponsors: Brendmoen

Orders are abated.

Ms. Moermond: Brian Schmidt reported he did have an inspection Friday or Monday and he is abating the orders, next inspection in July 2020.

Referred to the City Council due back on 8/14/2019

- 7 [RLH VO 19-27](#) Appeal of Charlitta Ellis to a Revocation of Fire Certificate of Occupancy and Order to Vacate at 801 AURORA AVENUE.

Sponsors: Thao

Orders are abated, property is now in compliance.

Ms. Moermond: Schmidt has abated order on that one, appeal is granted as property is now in compliance.

Referred to the City Council due back on 8/14/2019

2:30 p.m. Hearings**Vacant Building Registrations**

- 8 [RLH VBR 19-40](#) Appeal of Quan Vu to a Vacant Building Registration Notice at 1360 REANEY AVENUE.

Sponsors: Prince

C of O approved on 7/24; changed from Cat 2 to 1 on 7/26.

Referred to the City Council due back on 8/14/2019

**9 RLH VBR
19-47**

Appeal of Mao Xiong to a Vacant Building Registration Fee Warning Letter at 1876 MECHANIC AVENUE.

Sponsors: Busuri

Issue is resolved and owner has moved back into property.

Mai Vang: Rich Singerhouse said to do another 90 day waiver, but found out the house is in compliance and owner has moved in. It was resolved.

Referred to the City Council due back on 8/14/2019