



City of Saint Paul

15 West Kellogg Blvd.
Saint Paul, MN 55102

Minutes - Final

Legislative Hearings

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651-266-8585

Tuesday, October 24, 2023

9:00 AM

Room 330 City Hall & Court House/Remote

9:00 a.m. Hearings

Remove/Repair Orders

- 1 **RLH RR 23-10** Ordering the rehabilitation or razing and removal of the structures at 1117 JENKS AVENUE within fifteen (15) days after the April 19, 2023, City Council Public Hearing. (To refer back to October 24, 2023 Legislative Hearing)

Sponsors: Yang

Because nuisance mitigation plan is successful, refer back to LH February 13, 2024 at 9 am to review final work plan/bids, financing and/or discussion with potential purchaser.

Scott Fergus, fund manager representing the owner, CAG National Fund 1 LLC, appeared

Lisa Proechel, real estate agent who manages the property Keller Williams, appeared

Fergus: we cannot commence with anything until January 2024.

Moermond: this is our check in three-fourths of the way through to see if the abatement plan is working, which it is. Mr. Yannarely, have you seen anything?

Supervisor Joe Yannarely: last month a window was broken into, a board was ripped off so we had to have it boarded. Removing the fence has helped I think.

Fergus: the brick thrower happened to catch Lisa between her weekly visits. She's proactively taken to boarding the windows so we don't have that happen again, hopefully.

Moermond: and one brick going through and it is taken care of right away, these things happen but you were on top of it. That's great. I'm at this place, you're doing great in terms of managing it. We get our date in January when the redemption period expires. I have an old bid.

Fergus: we are either going to pursue repair and sale to owner occupant, or we are going to work with a local nonprofit who may also be purchasing. They are waiting for an outcome of a subsidy application to come in.. We'll know which one by January.

Moermond: are they a community development corporation?

Fergus: they are, absolutely. We expect to know before the end of the year.

Moermond: that's great. January when?

Fergus: I believe January 24 is when the 12-month redemption period expires.

Moermond: we'll report the nuisance abatement plan is working and you're on track to do it yourselves or a community development corporation purchase it. I'll ask for February 13 it to be referred back to Legislative Hearing. That gives you some buffer to figure things out. If things are together at that juncture, and Mr. Yannarely and I have reviewed things, the Council will want to give time for rehab and if we have all the pieces permits can be issued then.

Proechel: if the community development corporation does want to purchase, can they purchase prior to rehab?

Moermond: you are allowed to sell directly as soon as you can do the sale. They are exempt. They would have the same requirements, posting Performance Deposit, or figure out in your purchase agreement, work plan, they will have a more complicated path since they would be required to abide by laws for the kids of funds they'd be using. Davis Bacon law, for example. More complicated bidding process.

Fergus: they're an experienced organization, you will know them well.

Moermond: I have no doubt at all. I'm glad it will get done, we'd just need to see those plans from them and I know it takes a bit longer.

Fergus: and should that sale not work, we've done over 1,000 rehabs and sales the last couple of years.

Referred to the City Council due back on 11/15/2023

2 [RLH RR 23-44](#)

Ordering the rehabilitation or razing and removal of the structures at 1213 WOODBRIDGE STREET within fifteen (15) days after the September 13, 2023, City Council Public Hearing. (Refer to Legislative Hearing October 24, 2023)

Sponsors: Brendmoen

Layover to LH November 28, 2023 at 9 am for discussion of contractor bids and schedule.

Michael Sauer, attorney o/b/o Penny Mac, appeared via phone

Moermond: we just wanted to update the record to see where things were at how litigation and insurance, foreclosure if that's on the table.

Sauer: we've spent quite a bit of time assessing claims in the case and I did end up answering the complaint and we are intending to dispute the amounts claimed to be owing by the prior contractor. That is ongoing, but that's kind of a separate matter than this demolition case at this point. Eventually I hope they settle, but we weren't able to come together on what they are claiming was done and whether it was done to the

City's expectations since nothing has been inspected and approved. After seeing the most recent Code Compliance Inspection it raises concerns because he raised concerns about framing members and charred portions that we're not done to City standards. That's how it is related, trying to get contractors in for estimates and comparing what was done by the previous contractor. Mr. Zane required that before work was done the contractor meet to discuss what is required and because that wasn't done they didn't have proper direction as to how to go about addressing some fire damage. That will direct how we approach Rest Pro in the litigation and there's a chance we'll have to redo work that was done.

The foreclosure sale is currently pending. It hasn't happened yet because there is some case law in MN that suggests if you hold a foreclosure sale that a hazard insurance company can deny further claims. Insurance companies have caught on to that since it is deemed satisfaction of the claim. We're working to determine whether there are additional payments from insurance before that sale is held. That sale is pending publication and we're trying to resolve issues so we don't get told by the insurance company it isn't happening. It was set for 11/7 and I'm not sure if that will happen and insurance will be resolved by then. That's where that stands currently. Our client has been burned in the past by insurance company using MN statues against us. It's the literal sale that triggers that. A lot of balls juggling.

We are working with a contractor and Penny Mac has a local vendor, Safeguard Properties, to get the estimate and timeline required by the City for time for rehab. We are anxiously awaiting that bid to see what they'll say based on that most recent Code Compliance Inspection report. Assuming the estimate isn't significantly higher than what it is worth Penny Mac's plan is to rehab.

Moermond: for litigation with Rest Pro, where is that exactly? There's been back and forth and things aren't settled. Filings and court dates?

Sauer: we've answered the complaint as of the 13th and discovery order was issued and will be engaging in discovery for the next few months. The goal isn't to fight and spend a fortune in legal fees. I think progress will be made once we receive that estimate. There are concerns that some of the work claiming to have been done was either not done or done to City standards. Those are the big-ticket issues we're looking at, including the roof. It was never inspected by the City. That Code Compliance Inspection report solidified our concerns.

Moermond: did Ms. Roark hire that contractor?

Sauer: she hired them but they go to the lienholder, so Penny Mac has the insurance funds and can approve or not approve if work was done to satisfaction. There's also dispute about scope of work and whether more of the property was gutted than necessary. There are many issues that are interrelated.

Moermond: when did she hire them?

Sauer: they started right away but then the disputes started about whether the work was done and done properly. I haven't been in contact with Ms. Roark recently. She had been communicating, but she's not actively assisting. There's not much she can do; she is in default on the loan which is why its in foreclosure and not taken active steps with your office other than knowing Penny Mac is managing it. She's back in Minnesota now.

Moermond: you'll be getting estimates. Let's talk again November 28th. Be prepared to come, and if we can do it remotely we'll let you know.

Laid Over to the Legislative Hearings due back on 11/28/2023

- 3 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

Refer back to LH December 12, 2023 at 9 for further discussion if PD is posted by COB Friday, Dec 1, 2023.

*Khuram Siddiqui, attorney, appeared
Colleen Pollock, owner, appeared*

[Moermond gives background of appeals process]

Staff report by Supervisor Joe Yannarely: the building is a two story, wood frame, duplex, with storage pods in the rear yard, on a lot of 4,840 square feet. The property has been vacant since December 2, 2020 due to a fire. The current property owner is Colleen L Pollock, per Amanda and Ramsey County Property records.

On August 9, 2023, an inspection of the building was conducted, a list of deficiencies which constitute a nuisance condition was developed and photographs were taken. An Order to Abate a Nuisance Building was posted on August 15, 2023, with a compliance date of September 14, 2023. As of this date, the property remains in a condition which comprises a nuisance as defined by the legislative code. Taxation has placed an estimated market value of \$20,000 on the land and \$60,000 on the building. Real estate taxes are current. The vacant building registration fees were paid by assessment on January 3, 2023. As of October 23, 2023, a Code Compliance Inspection has not been done. As of October 23, 2023, the \$5,000 performance deposit has not been posted. There have been two Summary Abatement notices since 2020 and one work order for boarding/securing. Code Enforcement Officers estimate the cost to repair this structure exceeds \$100,000. The estimated cost to demolish exceeds \$30,000.

Moermond: I hear no Performance Deposit or Code Compliance Inspection Report and there have been very few orders to maintain the property. That what jumps out to me as notable.

Siddiqui: I faxed in the Code Compliance Inspection application on Friday. That was submitted. We have a lock box with keys on the property. We're just waiting to hear back on that. We have a general contractor in mind to assess the cost for rehabilitating to code. I'm involved because after the fire Ms. Pollock had a generous home insurance policy and a general contractor came in and without her authorization but approval from the insurance estimator they gutted the house against her wishes. We're in litigation with them. The trial is May 1, 2024. Hopefully that will provide some funds to pay for the rehab.

Moermond: you have State Farm insurance in play?

Siddiqui: they were. She hired the general contractor to do the repairs but instead of doing a \$70,000 repair, the policy was \$250,000 so they could rebuild to the limit.

Moermond: who was it?

Siddiqui: Rest Pro. Once she realized changes were made that she had not authorized the relationship broke down. They provided the money and she'd been paying Rest Pro so part of litigation is to get that money back because they did work that wasn't authorized. State Farm is no longer involved since they did their obligation.

Moermond: you must own this outright except you had a loan from Community Housing Services at some point?

Pollock: yes, \$15,000. It was plumbing and electric and posts in the basement.

Yannarely: so, you have \$180,000 outside of the \$70,000?

Siddiqui: no, they provided the estimate to state farm of \$70,000, but the policy says the owner has to authorize changes they just went forward and started tearing things out. They've paid what they need to pay. That's why we're in litigation.

Moermond: from the City's perspective the Fire report is the best guess that they have on the ground in the situation. Not the same thing as sending contractors through. Second thing is the situation with Fire Damaged property and being in the Vacant Building program, the repair standard applied to ones damaged by fair starts off different than repair standard of other buildings. The City allows you to remain a Category 1 Vacant Building for a period of time as long as progress is being made, which means whatever insurance says it be habitable again. We respect and try to not add more red tape knowing they have that going on. In your case things came to stop and the physical conditions of the building change once it is gutted and that means different codes apply.

We don't know where that Code Compliance Inspection will land. One of the things I noticed is that when I read the fire report they characterized some of the conditions as hoarded. Has that been removed so someone can move about easily in the house to do the inspection?

Siddiqui: yes, they were moved into storage. We actually have had a couple of inspections done for litigation. It should be clear.

Moermond: and buildings in a hoarded condition sometimes people think things are clear and they aren't from an inspector's perspective. Sounds like this doesn't have an issue.

Yannarely: we had this conversation last week. That's when I told him about the Code Compliance Inspection. There are PODS on site that have been there a long time, but no one is complaining.

Siddiqui: we're working to get those removed.

Moermond: have you had inspections for what it would take?

Siddiqui: we had one person who said \$276,000. If someone was interested in purchasing is that something that is allowed? That would allow Ms. Pollock to move forward with litigation but have it not be demolished.

Moermond: yes, but a sale could happen but title can't transfer until the nuisance is abated. You have a purchase agreement selling to ABC rehab and saying their \$5,000 down and pay X amount, but you can't "close" until it has its Code Compliance certificate saying it is ready to live in. Some people handle that by way of a purchase agreement and adding an addendum. Some do a mortgage or contract for deed that as an investor they're trying to protect their interest. We certainly do see people who work in these circumstances and understand the City's process and rehab business. I don't know how that works out financially, but that would be an option. How are you situated for posting that \$5,000 Performance Deposit?

Siddiqui: I have the application here.

Moermond: you've done both, great. What concerns me is the amount of money and the timeline for where you're at with litigation and the work being done. Mr. Yannarely, any thoughts?

Yannarely: \$276,000 seems like a lot of money. How much of that \$250,000 was spent?

Pollock: we paid for the pack out and the cleaning and storage of property, that was \$230,000. We gave them \$80,000 to start cleaning the walls and millwork and sand floors and 3 doors. They went into the walls and mechanicals which I had done through the City loan. They ignored that and proceeded without our knowledge. Of course, after it is done what can you do?

Moermond: its good you have this inspection report coming. It is time you have a sharp pencil to look at circumstances and also what things would need to look like to sell to someone else. How does the math break down for you. I suggest this to many people sitting where you are. You need a sense of if the building completely rehabbed is up to its old value again. Have a realtor look at comps. Looking in reverse at what point have you spent more than you'll get out of it at the end of the day. What do you need to get in a sale for it to make sense. How much can you afford to spend to fix it up that makes sense. Work out some numbers of how this is going to play out. Setting aside litigation and potential money there. Where you are right now, how those numbers look.

Siddiqui: the fire damage wasn't that extensive and the amount of change that has been done by Rest Pro was more than necessary. So now we're in this situation to get it livable we have to do a lot more than originally. That is part of our damage claim, what would return the house to its previous state. It is possible that if we are just making it code compliant, then the cost would be lower to get it to Code. That way we could hopefully find a buyer to bring it up to code and put Ms. Pollock than if it was simply demolished.

Once we get that Code Compliance Inspection Report we can have a general contractor what it would take to minimal code compliance and also what it would take to get to the level it was before fire. When do you need to see the money to do the rehab? Does that give us litigation or mediation time? Or do we need to find a buyer.

Moermond: I'd like to take this one step at a time. I think getting those trades inspectors through is job one to get you started. You need that before any decision-making can be done on your part. The bids you develop, knowing you have the court case going on, and then there's this whole thing. One you would like the numbers higher and one you need the numbers to be lower. Seeing the money to do the work is a requirement for me to ask the Council to grant time. It isn't my practice

to wait long for plans to come together. We'd need a plan much sooner than May 1. That's a long time, and who knows how long that would take to conclude and may be appeals. We can't wait for an outcome on that to be the means by which the house is rehabbed.

It could be you are able to get a loan to the work. Factor that in and really start to think through numbers and what that will look like for you. I'm not opposed to finding someone who does this rehab, they can run numbers quickly.

Yannarely: you may even get cards put on the door or put in the mailbox now that this is a Public Hearing. There are people who have done this many times.

Pollock: I live next door to my little sister, and my other sister lived upstairs. We wanted to stay together and we made the neighborhood nice. Crime around us, but not on our block. We got streetlights in; we get the alley shoveled. We've invested in the neighborhood for a long time.

Moermond: and the City needs exactly that, people who are emotionally invested in the neighborhood. That's what keeps neighborhoods vibrant. I'd like to put a pin in this for a while, you've done the first two critical things. That is a reason for me to say on December 6 at the Council Public Hearing I'll ask the Council to continue this. I'm concerned how these numbers will shake out for you. Time is money. The sooner this is resolved the more helpful. Let's get this done and have you have the chance to talk to others about costs and use that to inform your thinking on it. Let's talk at another hearing after you get that report and talk to some contractors so you have a better notion of where you want to go. You don't have to have decided but you'll have a better idea. Let's talk again December 12.

[long discussion of Vacant Building fees and assessments]

Referred to the City Council due back on 12/6/2023

10:00 a.m. Hearings

Making Finding on Nuisance Abatements

- 4 [RLH RR 23-52](#) Second Making finding on the appealed substantial abatement ordered for 1006 THIRD STREET EAST in Council File RLH RR 23-14.

Sponsors: Prince

If CC Certificate is not issued by Nov 1, 2023 continue hearing to November 8, 2023. If CC Certificate is not issued forfeit \$2,500 and continue PH to Nov 15, 2023. If CC Certificate still not issued forfeit remaining \$2,500 of PD.

Jason Stockwell, JPS Homes, appeared via phone
Jared Landon, contractor, appeared via phone

Moermond: we're going to finish the conversation we started a couple of weeks ago about progress we've had and my recommendation for the Council Public Hearing November 1.

Staff update by Supervisor Joe Yannarely: there are many open permits and none finalized.

Moermond: any inspections since the last hearing?

Yannarely: none.

Moermond: it looked like we have a current Summary Abatement Order?

Yannarely: yes, for construction debris in the backyard with a compliance date of the 16th and I did get a Voicemail saying it would be cleaned up by end of week.

Landon: it was cleaned up before I saw the letter.

Yannarely: someone called yesterday.

Landon: it was cleaned up beginning of last week.

Moermond: I think someone from my office reached out to let you know. I'm disappointed there haven't been any further trades inspections. Building inspector puts you at 60%. You are saying way beyond that. I was hoping for verification by means of inspections. I don't feel great we're sitting here with no information.

Landon: the plumbers are in today doing their final work. They should have a final inspection scheduled the next couple of days. I did send a work plan with more detailed information. The floors have been done. A lot of the building stuff doesn't have any real inspections, I just talked to Clint a few weeks ago. Electrical should be finished this week. HVAC is waiting for everything else to be done so they can do their final this week. We're at touch up stage. This is why I was talking to Clint or Cliff saying we're a lot farther than 60%. He was concerned about the trim and how it takes a long time to put on. Which it does, but we are keeping 99% of the original trim from the house, we've put up the minor things. A lot of the finals should be coming in this week, with inspections next week.

Moermond: your Public Hearing is next week.

Landon: if the inspections are scheduled next week I would imagine that's ok.

Moermond: I got 60% number; you are telling me you're almost done and now people are working hard and they will get finals as soon as their done and if inspectors can come right away to verify this. I am not feeling good about the progress and communication. I'm looking at \$5,000 Performance Deposit and thinking we're at the one-year mark and though I'm gratified you're working hard now I'm struggling. Your work plan is six lines long.

Landon: there's not much left to do.

Moermond: I don't know what is done.

Landon: once they are done the finals will be scheduled of course, as soon as they are done. Electrical was in yesterday. Plumbing yesterday. Flooring was done before we expected, over the weekend. It is getting done just like stated on the plan. We've had some hiccups with the St. Paul Police Department and squatters who caused a lot of damage we had to repair. That slowed us down. We've had doors kicked in multiple times. There are police reports on that. I can send in photos if that's helpful to show progress.

Moermond: without final permits I have nothing. It is demonstrated by finals on permits. I'm looking at what I can use as incentive to get this done. You're making a commitment in the email saying you'll be done by Friday October 27th. I'm inclined to say that's great, if you aren't done I'm leaning towards asking the Council to forfeit the \$2,500 or give grace and lay it over one week and then ask that. This isn't great to be sitting at one year having this particular conversation especially since the neighbors had to call in such a big mess. November 1 I hope you have finals. If you don't, I'll ask for one week layover, if November 8th you aren't done I'll ask \$2,500 be forfeit and lay over another week, if November 15 you aren't done I'll ask them to forfeit the other \$2,500. Let's get it done.

Landon: what rough ins haven't been done?

Moermond: October 13 Joanna Zimny's letter provided that information to you. I'll refer you to that letter.

Landon: ok.

Referred to the City Council due back on 11/1/2023

11:00 a.m. Hearings

Summary & Vehicle Abatement Orders

- 5 [RLH SAO 23-39](#) Making finding on the appealed nuisance abatement ordered for 913 JOHNSON PARKWAY in Council File RLH SAO 23-35.

Sponsors: Yang

The nuisance is abated and the matter resolved.

No one appeared

Moermond: we have a finding on this?

Mai Vang: Sean Westenhofer emailed saying the nuisance is abated.

Referred to the City Council due back on 11/1/2023

Correction Orders

- 6 **RLH CO 23-14** Appeal of Akeem Lamina to a Correction Notice at 2076 MARGARET STREET.

Sponsors: Prince

Recommendation forthcoming pending power being restored by Nov 3, 2023.

Akeem Lamina, owner, appeared via phone

[Moermond gives background of appeals process]

Staff report by Supervisor Lisa Martin: October 3, 2023 we sent a correction notice in

order to get compliance with Xcel. The electric and/or gas was shut off. Needed to be restored by October 11. I called this morning and power has not been restored at this time.

Moermond: you talked in your appeal about some things going on, why are you appealing?

Lamina: no one is living there. I'm trying to sell. We're behind on bills so we decided to move out. I listed it. I am trying to make a payment plan with them. As of today they restored the power.

Moermond: you're saying the power is back on as of this morning, but you are out of the house?

Lamina: yes.

Moermond: Ms. Martin, is that consistent with your understanding?

Martin: I spoke with Xcel at 8:30 and they verified no power. I can go out tomorrow to verify it was restored.

Moermond: that's fine, we can set this up to talk again. This is a correction notice, the first notification sent out about the power being restored to continue to be habitable. Not getting it restored would result in an order to vacate. They haven't issued that yet. We don't have hearings next Tuesday. I'll ask Ms. Martin to follow up with me. If the power hasn't been restored we'll revisit with a recommendation going out October 27th. If it isn't and it is condemned, that is appealable as well.

Lamina: please send things to 12125 Larch St NW Minneapolis 55448.

Moermond: great. We'll hear back from Ms. Martin and if for some reason she has a different finding we'll say it needs to be addressed by close of business November 3 I'll recommend the Council deny your appeal. If they are your appeal will be granted noting you are now in compliance.

[recess]

Moermond: as a bit of follow-up after the hearing, Ms. Martin you were just on the phone with Xcel?

Martin: I spoke with Lisa who said there is no payment arrangement and the power is not restored.

Moermond: so conflicting information that needs to be resolved.

Referred to the City Council due back on 11/8/2023

Orders to Vacate Code Enforcement

1:00 p.m. Hearings

Vacant Building Registrations

**7 RLH VBR
23-59**

Appeal of Greg Lehman to a Vacant Building Registration Notice and Fire Certificate of Occupancy Revocation Notice at 839 FOURTH STREET EAST.

Sponsors: Prince

VB fee waived 120 days (January 15, 2024) or deadline established in Building Code appeal determination. Grant to December 1, 2023 for compliance with item 4 and 7 of September 12, 2023 orders. Grant to December 1 2023 for compliance with item 1 in orders or appeal to Building Official for item one. Remaining items have been abated.

Greg Lehman, owner, appeared via phone

Staff update by Supervisor Leanna Shaff: September 12 it was revoked for long-term noncompliance. Inspector Tessman and supervisor were out there last week and some things are taken care of, some are not. Unit 1 still has an issue with the heater, vertically installed without a permit.

Lehman: it has been there 30 years.

Moermond: this was one where this was a difference of opinion on how to proceed. I do have a photo that shows it has been enclosed some.

Shaff: it looks like a small corner closet that has some decorative doors with vents to release heat and prevent injury. Companies spend a lot of money to have their things listed and we don't know it is an approved product in that position.

Moermond: and we can discuss more, but it is not uncovered as it has been in the past. It is now covered. Number two, access to unit 1?

Shaff: the inspector did go in. Item 3, the referenced ceiling tile was an access cover and that has been abated. Number 4 there was still an uncovered baseboard heater at time of inspection. Number 5, there was documentation from July that the rodent infestation was taken care of. Number 6 is taken care of I believe. The smoke alarm affidavit has not been submitted, item 7.

Moermond: do you need one sent to you?

Lehman: yes. I never got one.

Moermond: we can get one to you. That leaves us discussion around the two heaters.

Lehman: I have no idea what you're talking about because I never saw any photos.

Moermond: its an uncovered baseboard heater with black and white tiles.

Lehman: what room is it in? Living room, bedroom? I don't know what you're talking about.

Moermond: we're happy to send it, I'm surprised you don't know which room has black and white tile.

Lehman: let's forget this, I'm going to appeal to the City Council. Send me a date. We'll go from there. I'm done here.

Moermond: ok.

Lehman: you got that?

Moermond: I'll send a referral for you to talk to the trades inspector to consider whether they would consider the installation vertically as compliant.

Lehman: I'll just appeal to the Council.

Moermond: that's a building code determination. It isn't up to them.

Lehman: can we appeal to the Council please? Thank you. There's nothing wrong with it I'm done here. So, let's go in front of the City Council.

Moermond: the judgment on the existing installation isn't that of the Council or the fire inspectors, the appeal of that goes—

Lehman: just send me to the Council.

[hangs up]

Moermond: three items left on the report from September 12. Item 1 has to do with the baseboard heater vertically installed. Originally there was two concerns, one it isn't built to be installed vertically and doesn't operate as intended by the manufacturer and at that time it didn't have any kind of a cover on it so it presented a danger both operationally and someone touching it. It does have a cover now. Whether it is allowed to continue to exist is a building or mechanical code issue. My referral is ongoing appeal on that would go to them. Second issue is uncovered baseboard heater. Mr. Lehman wasn't aware of this condition existed, black and white tile with a window showing a wrought iron fence. Looks to be a simple fix because he has a cover on the rest that were an issue previously. We'll send the smoke alarm affidavit and he should be able to return that. The only question remaining is compliance date for remaining items. Item 4 with respect to the uncovered horizontally installed heater has a December 1, 2023 deadline, along with the affidavit. For the vertically installed heater I'll put a deadline of before it is reoccupied. I am referring the matter as an appeal to the Building Official.

Notes from Inspector 10-19-23: Visited property with MI to take photos and collect evidence to pass along for appeals process. The unit is actively undergoing cosmetic renovations.. No permit has been pulled for any changes. A cover has been placed over the wall mounted heater. Guards were installed on all but one section of baseboard heaters. Access panel was replaced in closet. Pest control had serviced the property. RP stated that tenants always have been and will continue to be given a key to electrical panel room in basement. Pictures are attached in AMANDA. - RT

Referred to the City Council due back on 11/8/2023

8 **RLH VBR**
23-63

Appeal of Manoj Bhakta to a Vacant Building Registration Renewal Notice at 1046 JESSIE STREET.

Sponsors: Brendmoen

Waive VB fee for 90 days (to Feb 1, 2024).

Manoj Bhakta, owner, appeared via phone

[Moermond gives background of appeals process]

Staff report by Supervisor Matt Dornfeld: this was made a Category 1 Vacant Building October 2022 per Department of Safety & Inspections receiving a Vacant Building registration form and fee from the ownership group at that time, a bank. We inspected, found it vacant. Moving forward we had to issue a work order for snow and ice January 10, 2023, it is my understanding the new property owner took over in March, the appellant. It has not been a nuisance and we're here to discuss the forthcoming Vacant Building fee.

Moermond: are you Red Maple?

Bhakta: I am part of it, and my nephew is part of it. We formed the LLC. We bought this property together in March hoping we could fix it and rent it as soon as possible. We had some issues, mainly some health issues. We do have the funding to repair. When we bought it we didn't know the Vacant Building part, I do know it was empty. I spoke to Inspector Hoffman after that. Our goal is to fix and rent, if you could give us some time. That's my request.

Moermond: how are things looking? Have you started? What is the schedule.

Bhakta: we have not. We can start now. It is a duplex. We found out the lower unit had the electricity turned off, and they wanted pressure test for gas first. We need to find a contractor with challenging. Three to four months at least. Mainly it is the flooring.

Moermond: yes you did buy the property and at the time of purchase there was no TISH done. That is what should have been done by the seller and evidently wasn't. If you were represented by a realtor they should have made that available to you. A Code Compliance Inspection Report could have been used as a substitute. Another would be the Fire Certificate of Occupancy. I'm happy to do a 90-day waiver on the fee, from October 31, so to February 1. If it isn't enough time you can let it go to assessment which is also appealable.

Bhakta: that is more than fair, I appreciate it.

Referred to the City Council due back on 11/8/2023

9 [RLH VBR 23-64](#) Appeal of James Nguyen to a Vacant Building Registration Requirement at 607 LAWSON AVENUE EAST.

Sponsors: Yang

Layover to LH November 14, 2023 at 1 pm to review findings of the 9:30 am inspection November 7, 2023.

James Nguyen, owner, appeared via phone

[Moermond gives background of appeals process]

Nguyen: I have submitted documents and reason for appeal.

Staff report by Supervisor Leanna Shaff: the first inspection was to take place March 28, 2023. Inspector Anderson went to the property. Front gate was chained, she did

call SPRWS to verify owner info and get an updated address. Low water usage since January, rescheduled inspection. April 5 she received a Voicemail from the property owner saying tenants were evicted, was out of the country to end of May and wanted extra time for repairs. Rescheduled for 6/1. Ms. Anderson left and Der Vue took over the file. June 26 she spoke to property owner who said it is still unoccupied and requested an extension, and he was given the time but also revoking unoccupied, which we only carry 90 days as practice. That was explained to property owner. We did get an update in August from the property owner and they wanted more time, inspector Vue gave to September 5 and the property owner left a Voicemail that the turn was in progress still. She returned the call and advised it has been this way a while, yard was cleaned up but the exterior deficiencies on the property peeling paint and soffits, still remained. property owner was told about Vacant Building procedures. 10/3 no change in interior. property owner was not responsive to Inspector Vue, so per explanation and practice she revoked the Certificate of Occupancy for long-term noncompliance and referred to the Vacant Building program.

Staff report by Supervisor Matt Dornfeld: we opened a Category 1 Vacant Building per that referral and Inspector Shaff's report October ,5 2023. Inspector Hoffman found it vacant and secure and took some photos.]

Moermond: I do have your email and photographs you submitted yesterday morning Mr. Nguyen.

Nguyen: the last time I spoke to the inspector was in September. I couldn't make that appointment because of the health conditions outlined in my email. Regarding the soffits outside and unfortunately I cannot climb due to my health and age. I did contact several contractors and handyman to help but either it was a scam or they were three months out. I can give the number of the people I contacted. I do have one contractor working on my kid's roof and I contacted him and gave him the photos of the outside but he said he will stop by and look. I was sick for 3 weeks, prior to that I spoke to the inspector. In September I called to let them know I couldn't make that inspection and left a message to get more time. After that, a week later, October 3 I got that revocation of the Fire Certificate. I did talk about my problem with the inspectors and trying to find a solution. For my part, I do the best I can to fix. I did look at the Vacant Building code and I believe my property does NOT violate any of those items. I don't understand why the inspector made it a Vacant Building. I provided a photo to show the progress of the property. If you read my email, this is my income. That's my reason. I work on the building for months when my health allowed, it was never empty and no one taking care of it.

Moermond: a lot of what you're arguing with respect to your health I can be sympathetic, and I really am, but it isn't something I can consider over the longer arc of time we're looking at with respect to the inspector being present. The role the rental income plays in sustaining you, I can be sympathetic but whether or not it is cannot have an impact in determining whether it is safe and decent housing for someone. I have to look at inspection results. You indicated you never had a code violation. You have a class C duplex, that means you have a history of not the best rental property with a 2-year cycle. You've had violations that have put you on this reinspection cycle. I would note you indicated you haven't received notification of inspections, there are an awful lot of appointment letters directed to you as well as letters revoking the Certificate. I see 8 letters sent to Apple Valley. I'm struggling with that argument.

Bottom line is I know you want things fixed before the inspector visits but there is a calendar they operate on and that schedule wasn't met. I do see in the past you said a

tenant stab the tub. Someone called in June saying it was vacant last June. The faster this is fixed and inspected it can be reoccupied and there wouldn't be a question of being in the Vacant Building program. You need to let an inspector in. A list needs to be created. I need to create a deadline for you to have your Certificate of Occupancy reinstated. You say two to four weeks here. I don't know why these repairs should prohibit access in any way. I want to confirm they're done in a code compliant fashion; I'd hate for you to have to tear a wall down because you didn't pull a permit. I'd like an inspection in the next two weeks. The problem is you not letting an inspector in because otherwise all I see is violations and a class C building.

Shaff: Inspector Vue can be there at 9:30 am on Tuesday, November 7th.

Moermond: you'll get a confirmation letter from my office. Getting that inspection will have everything to do with my recommendation to the Council on your appeal. It will definitely impact that recommendation. I'll speak with you November 14 at which time I will lock in my recommendation. You'll have had the orders at that time so you know what needs to be done and we can figure out what makes sense moving forward.

Nguyen: I can be close to finishing the inside in 2 weeks. But the outside is outside my control.

Moermond: I think you know from past inspections that they aren't there thinking everything will be perfect. This is about how things are right now. There is no reason to push it out because you aren't done with a project. Not a good reason to prolong this further.

Nguyen: I am more than happy to comply.

Laid Over to the Legislative Hearings due back on 11/14/2023

1:30 p.m. Hearings

Orders To Vacate - Fire Certificate of Occupancy

- 10 [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

Layover to December 19, 2023 at 1:30 pm to review permit status for deficiency list.

Joanne Nguyen appeared

Si Nguyen appeared

Moermond: we're trying hard to get things figured out. A lot of moving parts. Mr. Perucca did you see the most recent building permit application?

Perucca: I did. One from the 17th of October and one from the 21st. The building permit from the 17th restore store front and security gate is active issued. The second building permit from the 21 indicates during the Restore, Rebuild, Reimagine (RRR) project of 2022 there were repairs done to sliding doors. I believe that was some other encompassing work, that permit is in plan review currently and as of yesterday still there.

Moermond: the application for the second permit was Doug Jeager with Kraus Anderson?

Perucca: correct. Arctic Glass also involved.

Moermond: we've got that permit application in for the work already done. Then its just a matter of getting it signed off on.

Perucca: the second permit is still under review but correct in the fact the two permits would be reviewed by building inspector Virgil Thomas. Typically, Kraus Anderson would reach out to inspector Thomas once all corrections have been made. The other associated electrical permit with ties to the front door, the power supply, and also a new locking element with the door that needs to be tied to the alarm system. Several pending permits still that are in various stages of approval or review. Now it is a matter of getting the appropriate trade inspectors back to approve.

Moermond: when these two building permits are applied for there is a review thinking about those applications in terms of fire code and egress and locking concerns.

Perucca: yes.

Moermond: so that's covered in permit review. Presumably if this Kraus Anderson permit is approved then these people can call for the inspection but Kraus Anderson needs to know what the deficiencies are if there are any.

Perucca: as a matter of procedure, it is the contractor who calls for the final inspection. Given the circumstances here, it may be able to be expedited or coordinated. Hopefully with little issue to resolve this matter.

Moermond: I spoke with someone from the RRR program. Mortensen was the main company who oversaw everything, the organizer. When I talked to the Minneapolis Foundation that was their first call, to say there is a circumstance here, there was no permit pulled, and they reached to Kraus Anderson to say it needs to be addressed. They have now made application. I'm happy they did that, because the value of the project is estimated to be \$105,662. The permit cost is calculated on that value, so that isn't a small amount. I am guessing a couple grand, which you would have been stuck with.

I think speaking again December 19th again to check in makes sense. That gives them two months. The electrical and fire alarm work is done, it makes sense they could get their final on that then. With respect to orders and deadlines, those are still floating out there. That's ok. We'll talk in December and if there are still items left at that time, we'll figure out deadlines. The permits are the heavy lift and that's moving forward.

Si Nguyen: during the 12 days we were closed, who do we speak to about fixing that lost income?

Moermond: I'd speak to someone at the Minneapolis Foundation, Russell Betts, I can reach out to him and ask on your behalf. I don't know what the possibilities are.

Laid Over to the Legislative Hearings due back on 12/19/2023

2:00 p.m. Hearings

Fire Certificates of Occupancy**11** [RLH FCO 23-87](#) Appeal of Ia Thao to a Fire Inspection Correction Notice at 986 GALTIER STREET.

Sponsors: Balenger

Layover to LH Nov 7, 2023 at 2 pm for review of work plan for addressing items submitted by COB November 3, 2023.

Ia Thao, owner, appeared via phone

[Moermond gives background of appeals process]

Staff report by Supervisor Leanna Shaff: this is a duplex inspected by Torrance Harriel. July 26, 2023 he was at the property for an inspection, wrote orders with 18 deficiencies. Reinspection for September 22. He notes he was on site but refused entry. We haven't been in since then, and it was appealed.

Thao: my family is living there but I'm not getting rent.

Moermond: I should have said non-owner occupant. My apologies. Continue, please.

Thao: the inspector wasn't refused entry and I met them there and told him I wasn't able to fix them, he said we'd skip it so I didn't get an extra fee, and I should appeal to get extra time. They are big items. That's what happened the second time.

Moermond: some don't strike me as particularly costly. Tell me about what is going on in addressing them.

Thao: I'm having budget issues. We are in process of doing HELOC on my husband's property, we're in that process now. That would be to fix the issues at the duplex.

Moermond: I'm glad to hear you're taking steps. Going back to the list, have you done any of them?

Thao: we've done some exterior items, the grass. Things that didn't cost us anything.

Moermond: when it says repair glass on garage and house?

Thao: it isn't done. Cracks in the window. They need to be updated.

Moermond: it doesn't say you have to do new windows. It just says glass needs to be fixed.

Thao: I guess I don't understand. I haven't owned it too long. I just assumed cracked glass means replacing the window.

Moermond: I'm not a contractor but I know in my house you can just replace a pane of glass. Those aren't typically terribly expensive, maybe some skill. Address on the garage? Missing doorknobs? Burn Pit? Covers on outlets? Those things don't cost money. Have you done them?

Thao: no. he said any electrical work requires an electrician.

Moermond: are you actually reading the orders given to you. I am, and it doesn't say that.

Thao: that's what he told me during inspection. He said we can't touch any electrical without a permit, and if we can't prove it during inspection it wouldn't pass.

Shaff: that may apply to the front porch lighting, that doesn't apply to cover plates for switches or receptacles.

Moermond: that's item 5. And that does say the work may require a permit. The cover plates and covers are very inexpensive. I'm asking because I want to know if you're serious about getting things fixed or if you're just trying to delay all of it. That's what it sounds like. HELOC is great for bigger repairs, but there are small things that can be done as an article of good faith in showing you're trying to get things done. Can you put together a plan about how you'll address these items so I have a sense of what your thinking is? I'm not even convinced now you've even read the orders thoroughly. Figure out what you can be done in the short term, versus hiring a contractor in the long run. I need to get a sense you have a handle on doing these fixes. Can you do that?

Thao: yes.

Moermond: You still have the September 22 letter with the orders?

Thao: yes.

Moermond: review that and come back with a plan for some deadlines for addressing the items. I want short deadlines on the cheap and easy ones. I understand some things are longer-term. Number 7, provide the address on the garage. Those numbers are inexpensive. That is doable. Let's talk again November 7th, by the Friday before you submit a draft plan for me to review. close of business November 3. We'll talk again November 7th.

Laid Over to the Legislative Hearings due back on 11/7/2023