



Minutes - Final

Legislative Hearings

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Tuesday, April 11, 2023

9:00 AM

Room 330 City Hall & Court House/Remote

9:00 a.m. Hearings

Remove/Repair Orders

- 1 [RLH RR 23-7](#) Ordering the rehabilitation or razing and removal of the structures at 901 FULLER AVENUE within fifteen (15) days after the March 22, 2023, City Council Public Hearing. (To refer back to April 11, 2023 Legislative Hearing)

Sponsors: Balenger

Layover to LH April 25, 2022 at 9 am. PO to post \$5,000 PD by no later than COB Friday, April 21, 2023.

Craig Cooper, potential purchaser, appeared
Steve Greenfield, attorney, appeared via phone

Moermond: I wanted to clarify your role with the property Mr. Greenfield. I think I understood you to say that you are no longer representing Select Portfolio? Is that accurate?

Greenfield: quite the opposite. My client, SPS, is very interested in this property. We are stuck between a rock and a hard place. The loan went into default Nov 18, 2021 when the borrower died. We've been in communication with one son. There is an issue over insurance proceeds. None of this is my client's doing but we're stuck holding the bag. There was a fire in the property. We believe the son is attempting to obtain the insurance proceeds. We have a variety of confluence of events, much to the chagrin of both you and my client. This went into default when the homeowner died. We lost a year during the federal government's moratorium in terms of foreclosing as the first mortgagee. The son has said he would like to rehab and use insurance proceeds to do so. We provided a work out plan for assumption. He authorized an attorney to talk with us but we haven't had any communication with him since December 30, 2022. My client has spent money securing the property. Removing debris. That is as far as we can go at this point. We are attempting to sort out some paper snafu with the assignment of mortgage to a local firm. They have had it on hold until that assignment of mortgage is completed. My client has an interest in keeping it in its current situation, and not having it demolished. But they don't want to spend money on the property that they may not end up owning. If someone else buys it at foreclosure they are out that money. They are mindful of the obligations and requirements of the

municipality. They can do securing and removing debris but can't go much further at this point.

Moermond: who is the local law firm?

Greenfield: let me look and see if I can pull it up.

Moermond: your paralegal indicated they tried to find someone local and were unsuccessful in finding someone. But if you hired someone that would be great. I don't know why you haven't filed for foreclosure. That is troubling. It is troubling it also hasn't been maintained. You haven't participated in the last several hearings so maybe don't have the background the rest of us have. Mr. Yannarely, can you provide that summary?

Greenfield: I'd like to clarify there has been a local foreclosure firm retained, they have been on hold waiting assignment of mortgage so they can start foreclosure.

Moermond: what I said is what your paralegal said. If that is different that is great, thank you.

Greenfield: I wasn't there when my paralegal said something, which is actually double hearsay. In addition, I ask you take into considering the fact we are dealing with the son of the owner who has been making things more difficult than easy. We have taken care of the items required of us which is securing and removing debris. We don't feel there are current safety issues.

[Supervisor Joe Yannarely gives summary]

Greenfield: if I may respond. The taxes paid were advanced by my client as the lender. They are very much trying to be a good neighbor. They are out of pocket over \$200,000 on this property. We are stuck with wanting to maintain the collateral. If it is demolished it will greatly diminish the collateral. I have been advised by people on the ground it isn't a safety risk to the public.

Moermond: I don't have anyone here, a law firm, a contractor on the ground, here saying that but I do have DSI staff saying we have a fire damaged structure, broken into several times, in poor condition and constitutes a nuisance structure. I hear you saying you don't believe you have the legal authority to enter to do an assessment or allow an inspector in to make that assessment. I'm not hearing a plan of action for dealing with the assignment of the mortgage. That seems to be tripping you up. Have you had any luck finding the local firm?

Greenfield: the assignment of mortgage was done and is being sent this week so they can commence foreclosure.

Moermond: and that is being sent from whom?

Greenfield: my client, the servicer, who can then begin the foreclosure.

Moermond: who is 'they'?

Greenfield: still waiting on that information. I don't have the name of the firm, but I wouldn't make a representation to the court without reason to back it up.

Moermond: right. In my experience if you are looking at mortgage in excess of \$200,000, you are in a loss mitigation mode. We do have Mr. Cooper, who has been in communication with Mr. Joseph Ray, JR, who I believe is the same person you are talking to. I would be looking for, in a timely fashion, foreclosure filing seeking expedited forfeiture and motion to allow access for inspection to occur. I would also be looking for that Performance Deposit put into place, both conditions for a recommendation the Council continue the matter and allow time for plans for rehabilitation. I don't know how that will go in terms of expedited forfeiture.

Cooper: there are four or five siblings.

Moermond: so that many inheritors should they go through probate, though John Ray Jr seems to be taking lead. Do you know any more on that?

Cooper: I don't know, I think they are local.

Greenfield: we were advised by Ray Tauriette August 2021, then told by son Ray Philip in January 2022 worked out a successor and interest review. Unfortunately, all the conversations we had, which appeared genuine and promising, appeared fruitless. I have questions, you mentioned the \$5,000 Performance Deposit be put down. They are going to ask what the release or forfeiture of that deposit.

Moermond: the \$5,000 Performance Deposit is returnable under two circumstances: 1) the nuisance is abated and 2) it is requested by the person who posted it.

Yannarely: they request it back and we would issue it.

Moermond: for my purposes it is necessary to get a continuance at City Council.

Greenfield: as a condition, in addition to the other items, you want them to post this Performance bond. I am envisioning we get a contract with a person to do the rehab.

Moermond: your client would get that Performance Deposit back upon performance of the rehabilitation. That would be the finish line.

Greenfield: thinking out loud, we could build that into any contract with a buyer. We have to foreclose first. I have to explain to my client in an understandable way while also taking what actions I need to preserve the structure. I have no problem with anything else you have said. Can I have 48 hours to respond?

Moermond: of course. Today is April 11. I'll continue this to April 25 and look for someone to be here to talk about where we are at with filing that foreclosure and having it expedited. I don't have contact information for Joseph Ray, JR. He hasn't presented himself here.

Greenfield: I can promise you without a doubt that by April 25 you'll have all the information you requested.

Moermond: ultimately I need that Code Compliance Inspection to occur and you'll need to ask the judge to formally allow access to the property to provide for that inspection. I think that is a reasonable request that courts have granted in the past. That would provide a baseline for us moving forward. So that is something local that is Code related.

Greenfield: understood. The local foreclosure firm is Liebo, Weingarden, Dobie & Barbee. The attorney is Paul Weingarden.

Moermond: Mr. Cooper anything to add?

Cooper: not at this time.

Moermond: we do need that Performance Deposit posted as an article of good faith.

Laid Over to the Legislative Hearings due back on 4/25/2023

2 [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 July 11, 2023 Legislative Hearing)

Sponsors: Yang

Refer back to LH July 11, 2023 at 9 am for discussion of success of nuisance mitigation plan.

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

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

Moermond: we had the requirement of posting the \$5,000 Performance Deposit and a nuisance mitigation plan. MR. Yannareilly, has that been done?

Supervisor Yannareilly: yes, that has been posted. I reviewed the plan and I thought we had discussed a camera?

Proechel: we haven't, the electric hasn't been on for several years so it would be a major investment because then Xcel requires you to bring it up to code.

Moermond: I am willing to have the Council send this back in 3 months' time to be reevaluated. I am not sure how the Councilmember will think, given the length of time. That brings us to July 19 to come back and do a status report of where things are at. I'd like to touch base on July 11 so we have an update on any nuisances and how things have been managed and we can figure out whether this path will work for us or we will proceed down another. Any Department concerns, Mr. Yannareilly?

Yannareilly: the motion sensors should help. Removing the fence should help. Transparency is good, especially on a corner.

Moermond: I'll recommend that to them next week and will be briefing the Ward 6 Councilmember ahead of time, which is my practice. The long time-horizon is the only difference on this one.

Proechel: which we don't have control of.

Moermond: and we need to address that nuisance, which is what we're about here. Any questions?

Proechel: do we come to the hearing on the 19th?

Moermond: typically, only if people object to the recommendation. If you are getting what you want, typically people don't, If the Councilmember decides differently from my recommendation we will certainly inform you so you could attend that Council Public Hearing.

Referred to the City Council due back on 4/19/2023

3 [RLH RR 23-8](#)

Ordering the rehabilitation or razing and removal of the structures at 1082 LOEB STREET within fifteen (15) days after the March 22, 2023, City Council Public Hearing. (To refer back to March 28, 2023 Legislative Hearing)

Sponsors: Brendmoen

Layover to LH April 25, 2022 at 9 am. . Purchasers to submit an updated timeline/schedule for demolition and preconstruction of site with more specific timelines.

Heidi Hovis, attorney o/b/o MN Department of Housing, appeared

Moermond: I see we don't have the prospective purchasers today?

Hovis: I thought they would be here, not sure where they are.

Moermond: the ask is that the City Council continue this for four months before they even potentially look at demo of the site, it could be even longer. This is their loose plan. That's a very long time, and that's essentially so the City could subsidize the preconstruction of the site.

Hovis: I believe they were trying to get it so the utilities would be capped above ground. I know four months seems like a long time, but most of that time is reviewing plans and moving forward.

Moermond: do they have all their plans together?

Hovis: what you have is what I have.

Moermond: seven lines. Then they are saying two months before they start construction. If you have a complete submission walking in, is that a two-month review time period if it is all together when they walk in?

Zane: it can be.

Hovis: my understanding is the build would not be on the ground up, they would be using a prefab building and putting it on. They're trying to save foundation too. So that should save time and construction.

Moermond: construction document wouldn't be ready for City review until June 26. If it takes the City two months to do it they're putting it on the City but they haven't even got their construction plan together and submitting the same date. You are not them; I hear that. But putting out there that isn't on the City.

Hovis: absolutely. From the State's perspective we have a new addendum to the purchase agreement because we thought they would rehab the original structure and

that changed. Hopefully the sale will go through and I can communicate to their representative all the information you would like before the next hearing.

Moermond: I would like these questions answered. I think that some of this could be expedited. Is there a survey as part of the sale?

Hovis: the State was not. The seller would be relied on to do what they need to do.

Moermond: could they hire someone now?

Hovis: it is possible.

Moermond: I don't understand why we couldn't move more quickly than the 28th. Is closing the 28th?

Hovis: the State wants this to move to get a family in as quickly as possible. A more detailed construction plan with more specific information would be helpful is what I'm hearing.

Moermond: the ask at this point is asking the Council to continue this to allow them grace to be able to complete these plans, showing me the money, the different pieces, I wouldn't ask the Council to give 180 days unless those things were in place. Can we move this along more. I'm not opposed to what they are trying to accomplish. If the City does end up doing the demolition if they fail to get approval on this, the City wouldn't be doing utility cuts in the fashion they would want.

Hovis: can I have a complete list of what they would need?

Moermond: I'm willing to take an in between step on this. I'm looking for a more aggressive plan to get us to the point where they are submitting plans to the City. I don't think it is going to benefit me or the Council to know who they hire to do a survey. If it isn't possible until the end of May, then I may want to see that. Are they working with an architect or general contractor? I'm troubled they're doing composition of the construction document at the same time they are submitting it. I can live with June 26 but I would like to see a complete plan being submitted at that point so we would realistically be looking at construction the end of August at the latest. Then I won't be concerned about weather impacting the work.

Zane: your concerns are the same as I would have. When they use the language composition of plans on the same date as submitting. Composition can take a while. Nailing that down would give more comfort as well as getting things done in a period of time everyone is comfortable with.

Moermond: and we do give 180 days in the fall often.

Moermond: I think final plans to the City by June 6. I think having that in and we can talk again in 2 weeks.

Laid Over to the Legislative Hearings due back on 4/25/2023

4 RLH RR 23-9

Ordering the rehabilitation or razing and removal of the structures at 2120 ROSE AVENUE EAST within fifteen (15) days after the April 5, 2023, City Council Public Hearing. (Amend to grant 180 days)

Sponsors: Yang

Grant 180 days for rehab of the project.

No one appeared

Moermond: we'll have it in front of Council the 26, but since they have their ducks in a row they can begin pulling permits.

Referred to the City Council due back on 4/26/2023

- 5 [RLH RR 23-16](#) Ordering the rehabilitation or razing and removal of the structures at 829 THIRD STREET EAST within fifteen (15) days after the May 17, 2023, City Council Public Hearing.

Sponsors: Prince

Layover to LH May 9, 2023 at 9 am. PO to 1) post \$5,000 PD, 2) submit work plan including bids and schedule, 3) submit proof of financing, 4) submit affidavit dedicating funds to the project by COB April 5, 2023. Property must be maintained.

Doug Grimm, Northern Value Group, LLC, appeared

Grimm: I'm one of the partners of Northern Value Group, LLC.

[Moermond gives background of appeals process]

Staff report by Supervisor Joe Yannarely: The building is a two-story, wood frame, duplex with a detached one-stall garage on a lot of 5,083 square feet. The property was condemned and referred to vacant buildings by a fire certificate of occupancy inspector on December 27, 2021. Vacant building folders were opened on December 29, 2021. The building subsequently had a fire on December 31, 2021. The current property owner is Northern Value Group LLC, per Amanda and Ramsey County Property records.

On January 11, 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 January 25, 2023, with a compliance date of February 24, 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 \$11,900 on the land and \$130,800 on the building. Real estate taxes are current. The vacant building registration fees were paid by assessment on February 1, 2023. A Code Compliance Inspection fee was paid on February 23, 2023. As of April 10, 2023, the \$5,000 performance deposit has not been posted. There have been twelve Summary Abatement notices since 2021. There have been sixteen work orders issued for: garbage/rubbish, boarding/securing, tall grass/weeds and snow/ice. There also are current orders that Parks can't seem to get around too for garbage in the back. Code Enforcement Officers estimate the cost to repair this structure exceeds \$100,000. The estimated cost to demolish exceeds \$30,000.

Moermond: I assume you have the reason this entered the program in December 21?

Yannarely: Certificate of Occupancy revocation and then immediately after there was a fire.

Moermond: and it was condemned. The fire records are attached to our records. Mr. Grimm, it looks like your acquisition is recent?

Grimm: January 31, 2023. The little we know about the seller's situation, sounds like it was a rough go for them. Somewhere around the time of the fire there was a mental health commitment and a conservator took over. We took title from the County, John Raminski's office was appointed as personal representative. There was no family on the seller's side to be appointed. We acquired, and we're not quite where we want to be. I apologize to Mr. Zane for not having it ready for inspection. We'll have that done in 48 hours. We've had our contractor walk through a couple of times already.

Moermond: what is that looking like?

Grimm: \$140,000. Final details of that number will be informed by the Code Compliance Inspection Report. This is the same contractor we are using on two other vacant properties in St. Paul. We had some trouble with keeping the property accessible and secure. There were a lot of break ins. To give access we had to have it secured but we changed locks, hasp locks, reboarding. Now there is some activity the break-ins have stopped.

Moermond: when was that most recent order issued?

Yannarely: March 28th. I was out there on the 5th and it was ever-growing.

Moermond: application for Code Compliance was done the end of February and Mr. Zane went out and it wasn't ready?

Zane: yes, on the 30th.

Moermond: and you had the whole team out to try and get it done, high level of organization to execute that.

Zane: that is correct.

Moermond: and no Performance Deposit done yet?

Grimm: we are ready to do that.

Moermond: that's nice. You are hearing the yard is a disaster, you don't have your Performance Deposit posted, the house wasn't cleaned out. This is all emblematic of it being a nuisance property. The fact it continues to be one doesn't speak well to your managing that now. I know you'll get your act together because I am going to be pushing on that. I have to. That's my job. This doesn't go to Council until May 17th. There is time to get this sorted. What is your capacity to make it available for inspectors to come using the lock box?

Grimm: after it is cleaned up it should be ready for that. The issue is the doors aren't capable of hinging on the property so it has had to have to boarded. Safest is having is show up for inspectors. We haven't found a way to hinge the door without replacing the whole system. I can't offer that until we have a secure door on the front or back. My request is we continue to work out individual times, which we are ready to do now that it is cleaned out.

Moermond: Mr. Zane, your ability to do that?

Zane: I can do that since there are concerns about it being broken into. Get back in touch with me and we'll get that set up.

Moermond: Ms. Vang, can you get the police call log on this property starting January 1, 2020 to present? I'm guessing this had been percolating long before the conservatorship.

Grimm: one of the police calls were on myself and my contractor. The police came because someone in the neighborhood called, which reflects the neighborhood's awareness of the problems.

Moermond: and that would be reflected that it wasn't something requiring a police report. Similarly, if the door was open and no one was there, it would say gone on arrival. So don't sweat that. Performance Deposit, work plan, evidence of financing, schedule. We'll look for those things to be pulled together. Let's talk again May 9 and you have it all together for review no later than May 5. Do you have a registered Vacant Building form completed?

Grimm: I don't know if I did.

Moermond: I don't think that you did. Vacant Building fee went to assessment February 1. That contact information makes all the difference for them. The other thing I noticed was when DSI tried to do personal service to Northern Value Group at your legal address, 1349 S. Robert they were unable to locate any officers or agent of the LLC. Personal service wasn't executed, so it becomes more important for us to know how to get ahold of you.

Grimm: that is the correct address.

Moermond: I'll be asking the parks director to have it done by Monday. If it is as bad as I'm hearing it is thousands of dollars. So that gives you a deadline.

Grimm: there is a dumpster there, we're on our third dumpster today.

Laid Over to the Legislative Hearings due back on 5/9/2023

10:00 a.m. Hearings

Making Finding on Nuisance Abatements

- 6 [RLH RR 23-11](#) Making finding on the appealed substantial abatement ordered for 733 FAIRVIEW AVENUE NORTH in Council File RLH RR 22-28. (To refer to April 25, 2023 Legislative Hearing)

Sponsors: Jalali

Refer back to LH April 25, 2023 at 10 am. Inspectors to verify outstanding permit status. PO to submit updated schedule and proof of financing.

Stamate Skliris, owner, appeared
Herb Smith, contractor, appeared

Moermond: I understand that we had a hearing March 28 and the day before you

reached out to Clint Zane indicating you couldn't attend. The correspondence has consistently been from Joanna Zimny, she is the correct contact for anything hearing related. At the last hearing MR. Zane had been out and determined the percentage.

Clint Zane: it was less than 50% unless we can get the building permits---they hadn't had a number of the trade inspections coming into this. It looks like it is probably at higher level of inspection, but because there are a number of permits that haven't had any inspections done—the only electrical inspection that was done is for floor heat in the basement. There are a lot of other work that has been done, walls covered up. It is possible since were at the late state with none of those inspections completed, walls may need to be opened up. I'm in a weird spot as far as understanding.

Moermond: your team's eyes need to be on before you can determine a percentage.

Zane: correct.

Moermond: and the less than 50% is what communicates to me about the \$5,000 Performance Deposit. If its above 50% it is at the Department's discretion to continue that Performance Deposit. After that it is up to the Council. I wanted you to have the opportunity to show you are past that 50%.

Skiris: a couple of things to put out there. My understanding after speaking with Mr. Zane is I have numerous different inspectors who are no longer here. There is some problem with continuity. I spoke with Mr. Patten and his wife, my HVAC contractor, they are incredible. When they were aware there is no record of any permits and inspections, they were taken aback. He found all the receipts where it was inspected. We had heather who left a tag indicating it was inspected. I will acknowledge I was remote which didn't help. I remember Herb talking to Cyrus, he was there when my plumbing passed. So now the onus is on them to produce this, but I have Reid Soley, Jim Seeger, Nathan Bruhn who inspected and all the walls were sheetrocked. There was cement board in the bathroom removed. Herb has built many homes. The night before Mr. Zane came, and he said to me this is the first time I'm in this house, so it is hard to see the progress without comparing where it was to now. What does help clarify is Mr. Smith said to me I was 90% done. I was flabbergasted to see Mr. Zane said less than 50%, then 50%, then back to it. Everything is almost done on this Code Compliance Inspection list. You have to go by your eyes on the ground, but I would argue it isn't accurate.

I do acknowledge again, part of the reason is because it is taken so long. I acknowledge that. But there has been significant progress. I've tried to be in communication. I explained to Mr. Zane how the trials worked. I felt it was important enough to be here, 3 hours round trip when I have a grand jury first degree murder indictment. We have the back porch and siding on the back, and the plumbing inspector can come back to look at the fixtures now the tiling is done.

Moermond: this has been a Vacant Building since 2014 and you have had Code Compliance Inspection reports prior to the one we're operating off of?

Skiris: yes, and I wasn't the homeowner since 2014.

Moermond: so that's the Jim Seeger era. He's way retired. Reid Soley a few months. Mr. Zane, Nathan Bruhn is your boss and would be available to consult on this?

Zane: if I could clarify, 2015 you had a Code Compliance report put together, that's

where my change of ownership disconnect came from. Then we have the newer Code Compliance report from July of 2021. When I go into the records regarding the permits pulled after the 2015 report there was one permit finalized for electric code compliance repairs. Other than that, we have a plumbing, 2 mechanical, and a warm air permit all which had expired before their inspections were done. Those were not satisfied.

Moermond: I'm not sure who Heather is. It seems like we could use some more specific information from the trades inspectors. It seems to me that we need to figure out what our baseline is at this six-month juncture and the plan for getting it across the finish line. We need some inspections to occur. I'm hearing that there is agreement things have moved forward. We need to figure out those measures and make sure the people who pulled the permits---I don't know their communication with inspectors and whether corrections were required. I want the inspectors to address those things. Are contractors all paid? Or are there outstanding balances?

Skiris: there was a rough in plumbing that was passed. The HVAC and warm air is Patten heating and cooling and I am optimistic between them and the inspector they can show it was done. You said electrical was satisfied. Mr. Smith was there the day they did the air test and passed it. Yet there were no records when we spoke of that. Patten Heating and Cooling, my new furnace and AC went in, out of the 23,000, I have held 12,000. 6,000 is forthcoming tomorrow. Specifically, to clean my air ducts. That's the balance, otherwise no outstanding balance.

Moermond: and I only ask because in the same way at the beginning we have assurance we have plans and bids and money to execute it. At the mid-point we have the same thing, so we can show it isn't lack of funds that has caused it to not be across the finish line. It is super common to hold back half, we want affirmation you are ready to go on those things.

Skiris: shouldn't be an issue. Mr. Patten said we won't be done with the final until they can install the vented hood they pulled a permit for. That is still on order, 2 to 3 weeks out. That's already in the bill. That's what he needs, along with the duct work cleaning.

Moermond: there needs to be conversations with trade's inspectors so everyone can be on the same page. Those need to happen and get an update before we discuss an additional grant of time.

Referred to the City Council due back on 4/12/2023

- 7 **RLH RR 23-15** Third Making finding on the appealed substantial abatement ordered for 655 JESSAMINE AVENUE EAST in Council File RLH RR 22-51.

Sponsors: Yang

Grant additional 180 days, pending submission of updated evidence of financing (\$12,000) and updated affidavit.

Wendy Ray, niece of owner, appeared

Ray: and I want to state that we're kind of in the same boat as 733 Fairview as far as permits. They are saying that there were no rough ins, yet we have had multiple rough ins. Electrical should have closed out last Friday, but didn't because now they told us we had to install outlets in the kitchen. We didn't make a new kitchen; we just replaced the cabinet. March 22 plumbing was closed. HVAC closed 5th. Electrical came the 7th and said everything was good except those outlets, and they're to come

out last week.

Moermond: and I can think of a couple reasons with walls being opened up they may add that, I do know there is a proviso that work needs to be done to a current standard. It doesn't help we started this conversation the beginning of 2021. Mr. Zane, can you summarize the permits?

Zane: I will say right away it isn't uncommon for me to hear people say my contractor said the inspections were done, when they haven't. Whether or not their unclear on that because of a disconnect between the guy calling for inspections and the person at them. That is common, but that being said, plumbing is open for water heater hasn't been inspected. I spoke with the inspector this morning, that was pulled after the Code Compliance plumbing repair was finalized. Then the water heater was installed, which needs to be inspected. There is also an electric permit pulled for a boiler, that hasn't been inspected from December. Another electrical permit for Code Compliance repairs with no inspections. Two electrical permits, one for boiler, one for Code Compliance repairs. There hasn't been a mechanical permit pulled.

Moermond: I see that two permits were pulled December 1 that were finalized.

Ray: I have HVAC closed April 5.

Moermond: while that gets looked up, you provided a timeline for completing the work. This timeline has you needing to shell out a bit more money.

Ray: I'm really looking to get that Performance Deposit released so it can be used—

Moermond: it can't. the finish line is the finish line for everyone. It does happen people will leave something like carpeting expenses that aren't covered by the Code Compliance so the certificate is issued, but no I couldn't do that. We would need demonstration of funds. Pay the contractors or show the funds to complete. \$3,500 ballpark?

Ray: we feel like this is on the contractor's side, it is listed to remove the moisture and dry lock the basement. That may be something I have to address with them. IT is on their list and they committed to do this.

Moermond: and that's already paid?

Ray: we owe the final 10%, which they get when they have the final inspection.

Moermond: what does that 10% look like?

Ray: \$10,000. John has given you the bank statements, as the property manager I was trying to save some expenses and stress.

Moermond: the bank statements are old; we would need fresh. Particularly because it's a checking account, I'd want to see \$12,000 to cover any change order.

Ray: that shouldn't be a problem

Moermond: you bring that evidence of financing. We'll send this to Council April 26. Mr. Zane is going to speak to his colleagues and then I'll recommend that additional times.

Referred to the City Council due back on 4/26/2023

- 8 **RLH RR 23-12** Third Making finding on the appealed substantial abatement ordered for 595 PARK STREET in Council File RLH RR 22-40.
- Sponsors:** Balenger
- Grant additional 90 days to complete rehab. Continue \$10,000 PD.*
- Frank Viggiano, owner, appeared*
Hector Flores, contractor, appeared.
- Zane: I did see mechanical permits were pulled 3 days after the last hearing.*
- Moermond: we have a \$10,000 Performance Deposit hanging here. Your timeline says 60 days. Hovering around 60% but the next 60 days will get you across the finish line. I will recommend the Council grants an additional 90 days to complete the project. We'll send it to Council April 26 which give you to July 26. I'll follow up on the file July 25. That will give me a report for the Council, I'll be looking at it then and if it isn't done we'll be looking at forfeiting \$5,000. Let's get this done.*
- Referred to the City Council due back on 4/26/2023**
- 9 **RLH RR 23-18** Fourth Making finding on the appealed substantial abatement ordered for 318 EDMUND AVENUE in Council File RLH RR 22-26.
- Sponsors:** Balenger
- Layover to LH April 25, 2023. PO must submit updated schedule and proof of financing by COB April 21, 2023.*
- No one appeared*
- Moermond: this is a no show hearing. We do not have an updated work plan, financing, anything at all including the Code Compliance certificate. I do have a letter sent indicating there is a hearing today to be present at. The letter has highlighted in red to call for an inspection. Mr. Zane did she call you?*
- Zane: I was just out there with Nathan Bruhn on the 5th. 55%.*
- Moermond: this goes to Council April 26 and I'll ask staff to schedule a hearing April 25. Otherwise, she needs to make a case to Council to send it back.*
- Referred to the City Council due back on 4/26/2023**
- 10 **RLH RR 23-17** First Making finding on the appealed substantial abatement ordered for 39 HILLTOP LANE in Council File RLH RR 22-53.
- Sponsors:** Tolbert
- Grant additional 180 days pending submission of updated work plan. Continue \$5,000 PD.*
- Tom Distad, owner, appeared via phone*
- Zane: 75% progress.*

Moermond: that where you think you are at too Mr. Distad?

Distad: when he came, but we've since closed out electric and mechanical. Hoping to have Mr. Zane out next week to close it out.

Moermond: if you aren't in that space, we're looking for a plan to get it done and any outstanding money owed to contractors I need to see that available. Then I can ask Council to give an extension since you are so far along. This seems pretty straight forward. If you have concerns about making the deadline, file that paperwork.

Distad: have you been notified the HVAC has been cleared out?

Zane: no, I check on those when you call for final building inspection.

Moermond: send that plan.

Distad: no problem.

Referred to the City Council due back on 4/26/2023

- 11 RLH RR 23-19** Making finding on the appealed substantial abatement ordered for 1457 THIRD STREET EAST in Council File RLH RR 22-24. (Legislative Hearing on April 25, 2023)

Sponsors: Prince

Layover to LH April 25, 2023 at 10 am. PO to submit updated work plan, updated bids if using different contractors, and updated proof of financing.

No one appeared

Voicemail left at 11:48 am: good morning this is Marcia Moermond from St. Paul City Council calling you about 1457 Third Street East. We are having a hearing on the progress to rehabilitate, my understanding is no permits have been pulled which puts you at 0% complete and as such I will recommend forfeiture of the Performance Deposit for sure. This goes to Council April 26. We'll send a follow up letter with information on the kinds of things we look for in order to possibly get more time to complete. It is concerning where we are at with this.

Referred to the City Council due back on 4/26/2023

1:00 p.m. Hearings

Vacant Building Registrations

- 12 RLH VBR 23-16** Appeal of David Sprangers to a Vacant Building Registration Requirement at 1859 GRAND AVENUE.

Sponsors: Tolbert

Waive VB fee for 90 days (to July 21, 2023).

David Sprangers, owner, appeared via phone

[Moermond gives background of appeals process]

Staff report by Supervisor Matt Dornfeld: made a Category 1 Vacant Building April 2022 due to a fire. Currently we have active permits on file. The property has been maintained. The Vacant Building fee is coming due for the prospective year.

Moermond: it looks like you're going to be done next month, is that correct?

Sprangers: it is about time, yes. That is what my contractor is saying. I believe him. This is my second contractor. They were very slow and ignoring a lot of other damage in the building and weren't addressing it. The house has been rewired and replumbed and the framing was addressed. My understanding is the cabinets are ordered and ready to be picked up.

Moermond: the most recent entry was March 20 there was a rough in on electrical. With respect to the Vacant Building fee, it seems to me that you will likely be done within 90 days of your renewal date, April 21. That takes us to July 21. Even with some corrections a 90-day waiver of the fee would cover you. Does that sound right?

Sprangers: yes. I'd love to get back into my house.

Referred to the City Council due back on 4/26/2023

**13 RLH VBR
23-15**

Appeal of Naw Reh to a Vacant Building Registration Requirement at 1648 RICE STREET.

Sponsors: Brendmoen

Deny the appeal.

Jason Vang, o/b/o owner Nah Reh, appeared via phone

Vang: I'm representing and speaking for my mother-in-law, Nah Reh.

[Moermond gives background of appeals process]

Moermond: is Nah Reh the owner of the Hmong Market, LLC?

Vang: yes, she is the owner.

Moermond: she is that LLC?

Vang: yes.

Staff report by Supervisor Matt Dornfeld: was opened as a Category 2 Vacant Building April 2, 2021. We currently do have a team inspection on file. a building permit was issued November 8, 2022 that appears to be active. Unfortunately, we had to do a work order to remove snow and ice from the sidewalk on Feb 1, 2023, but other than that it has been maintained and secure. The annual Vacant Building fee came due on April 2, 2023.

Moermond: why is Ms. Reh appealing?

Vang: I just got into this with my current fiancé. Her ex-husband started this process. He didn't pass on the fact that there was any vacant building registration. When I came

on board I didn't know we had to register that. I do remember talking to Mitch Imbertson. No one mentioned it being a vacant building. It has been a year and we haven't got it up and running. I do know it has been vacant for almost 2 years, we are appealing because I wasn't aware of it and it is a lot of money. We've been waiting for insurance and City to get the Code Compliance up to par. We are currently waiting for insurance to get bids from our contractor.

Moermond: with respect to the Vacant Building registration, that has been in place since April of 2021. The notifications did go to Karen and Hmong Market, LLC. We just clarified that owner is Nah Reh. We know that mail has been getting there. No returned mail. I do have a couple of assessments that were previously appealed. Bottom line is I can see where you would think it would be nice if someone mentioned it, but the City's obligation is with the owner of record, which did happen. The inspection report was generated September 1, 2022. That wasn't even requested for a full year after the fire. You mentioned there was issues with insurance and contractors, I don't know if this is useful or not but the building permit was pulled November 8, 2022 by Giertsen Company of Minnesota. They pulled a permit for \$87,000 worth of work. That is out there. I don't know anything beyond that. No inspection or any other trades permits pulled. Where are things at now? This is a long way in to still be talking with insurance.

Vang: we are still waiting for insurance. They are waiting for some storm damage information. The City has requested us to have our Code Compliance up to date. That took us a while. When the inspection people came during 2022, right before July 4.

Moermond: do you have the Code Compliance report from September 1, 2022?

Vang: I do not.

Moermond: we have an email address on your appeal. We can email that to you. Some people go to their insurance company with these Vacant Building fees, that may be a good avenue for your mother-in-law. I am not hearing you are going to be done any time soon. I'm sure that is frustrating. Is the insurance hiring the contractor? Or are you?

Vang: we reached out to contractors. It is frustrating that we still haven't got it up and running after 2 years.

Moermond: I don't know if I can do anything helpful besides asking Mr. Dornfeld putting a note in to continue to allow permits until the Vacant Building fee is paid. I'm thinking it may be useful to talk when this comes forward as a special tax assessment. If you can get these contractors going and the work done, I can look at prorating this down to something smaller. I strongly recommend going to the insurance company and presenting it as part of the damage you've experienced from the fire. This is triggered because of the fire.

Referred to the City Council due back on 4/26/2023

1:30 p.m. Hearings

Orders To Vacate - Fire Certificate of Occupancy

- 14 [RLH VO 23-11](#) Appeal of Warren Enright, Tenant, to a Notice of Condemnation-Unfit for Human Habitation-Order to Vacate at 1355 EUSTIS STREET, UNIT #2.

Sponsors: Jalali

Recommendation forthcoming.

Moermond: the inspection is tomorrow, April 12 at 10:30 am. We will wait to hear from the inspector about percent complete and amend the resolution with the recommendation accordingly and insert a vacate date if necessary and lay it over a week for the tenant to participate should he choose to do so.

4/12/23 Update: Inspector Jack Toeller inspected the property and found that the owner has met the 25% on April 11, 2023 by reducing the excess storage. Ms. Moermond concurs with this assessment and will grant to May 11, 2023 for further reduction of another 25% (totaling 50% from current level).

Referred to the City Council due back on 4/12/2023

- 15 RLH VO 23-16** Appeal of Monica Mogren to a Revocation of Fire Certificate of Occupancy and Order to Vacate at 1604 MARGARET STREET. (To refer to August 1, 2023 Legislative Hearing)

Sponsors: Prince

Refer back to LH August 1, 2023 to check on status of property sale.

Monica Mogren, owner, appeared

[Moermond gives background of appeals process]

Staff report by Supervisor Mitch Imbertson: one-unit residential building in our Fire Certificate of Occupancy program. Scheduled for a renewal inspection to get in the property. Some back and forth over a number of months, seven appointment letters went out. Not clear on what happened each time, at least once was rescheduled by staff. Others missed or rescheduled at your request. Eventually in March the inspector revoked the Certificate of Occupancy for failure to complete the renewal process and provide access for inspection. Comply or vacate date of April 19, to comply with allowing access for inspection and having new orders before renewing the Certificate of Occupancy. Looks like you were looking at putting the property for sale, if that is the case the property wouldn't need a Certificate of Occupancy if it isn't occupied however it wouldn't meet the definition of owner-occupied to close out the file so the options are to close out inspection and issue the certificate or revoke the Certificate of Occupancy and then it could remain with a revoked Certificate of Occupancy, the risk would be whether the exterior and other conditions are maintained well enough to keep it out of the Vacant Building program.

Mogren: May 31 I will be able to close and put it on the market two weeks from now. I'm painting the kitchen and adding trim. I've done everything myself. I think I have done a good job at being transparent with James Thomas. I've even invited him to the property; I am there every day working. I saw him sitting in the car one day, but when I went to say hello he drove away. I was in my arms waving my arms to talk to him. I really only have one point today, there doesn't seem to be a condition or a space for someone to get out of the rental pool and say I'm selling the property and don't need a Certificate of Occupancy. But I don't want my name misconstrued in the record as someone who lost their Certificate of Occupancy when I'm selling and it isn't necessary. I have tools all over. I wouldn't pass an inspection. But in two weeks I will.

But I will have a TISH inspection to meet City requirements. It is a double whammy for me.

Moermond: I think you are right; this isn't complicated. What we have is a disconnect in how the Fire Certificate of Occupancy program operates and the Vacant Building program operates. You want a category where instead of a revocation you'd be looking at more of an expiration. That isn't a category that exists. You know you can't rent it and aren't intending too. The disconnect between the codes is that if you were to go into the Vacant Building program it would be going in without a documented set of orders. It would be referred for administrative reasons. The Vacant Building program has a distinct definition of what qualifies and without documented qualifications. Then it says unoccupied for 365 days.

Mitchell: six months we've been trying to get in, but I don't think it has been vacant that whole time.

Mogren: November the 1.

Moermond: it doesn't matter in that if they don't issue a Certificate of Occupancy it would show up as revoked and referred to a Vacant Building program and then you would get your appeal granted unless they documented other code violations. It is an in-between space. The computer system keeps us on track 99% of the time and every so often we have a square peg in a round hole. Not a great policy fit for your position. You're thinking you'll put this on the market in a month?

Margaret: two to three weeks. At that time a nice compromise would be I apply and complete the TISH.

Moermond: you have to do it anyway, so not a compromise.

Mogren: in a timely way. Not in six months.

Moermond: and the Certificate of Occupancy substitutes for the TISH. So, you don't have to pay for both. Certificate of Occupancy is typically cheaper. I do hear that the traditional real estate market would look more for the TISH report and not be as familiar interpreting a Certificate of Occupancy report. You don't want to do that and I respect that. Has your realtor indicated how long it will take to sell?

Mogren: I sold one on Bush 3 months ago and it took eleven days.

Imbertson: and you have no intention of renting it again?

Mogren: no.

Moermond: enforcement is stayed while this is under appeal. Nothing happens. You aren't revoked. It is in a bubble. I'm going to send this to Council and ask them to refer it back to me in 3 months. We can assess at that juncture. If it has been sold and someone else is there, great. If they are turning it into a rental it gives us time to revisit. By closing the file, I haven't closed the window on them having to do follow-up. I don't want it lost in their shuffle but I don't want a revocation while you're doing this.

Mogren: what happens to that revocation? Does that follow me as a renter?

Moermond: no, no. If this comes back and all is squared away your appeal is granted.

But I want the Fire Certificate of Occupancy folks to be aware. Granting it would mean it would be hard to trigger the follow up it needs for them. We'll set it on the shelf for a few months and finish it then. I think this is appeal granted, but it is stayed until it is resolved.

Referred to the City Council due back on 4/26/2023

16 [RLH VO 23-17](#) Appeal of Curtis Persson to a Fire Certificate of Occupancy Revocation and Order to Vacate at 1436 SNELLING AVENUE NORTH.

Sponsors: Jalali

Layover to LH April 25, 2023 at 1:30 p.m. PO to submit work plan by no later than noon Monday April 24.

Curtis Persson, owner, appeared via phone

Voicemail for Bardwell left at 2:44 PM: this is Marcia Moermond trying to reach Peter Persson and Melissa Bardwell from St. Paul City Council calling you about orders for 1436 Snelling Avenue North.

Moermond: we have your appeal and looked at it. You and your wife are planning on hiring some trades people. Then we have some cleaning issues. Have either of you been down to visit the property since all of this has been going on?

Curtis Persson: we haven't, no. Not for about 6 or 7 years.

Moermond: we have construction, and electrical things to be dealt with. We have cleaning and too much storage. There has been improvement. It says you have contractors from up north?

Curtis Persson: we're looking into it. Talking to people. It is hard, they want the big money up in Brainerd. There was one coming down next week. We did make some progress.

Moermond: he did come down? Or not yet?

Curtis Persson: right now, he is coming down next week. He sounded pretty definite.

Moermond: is there money to pay these contractors needed to do the work?

Curtis Persson: I can pay them.

Staff report by Supervisor Mitchel Imbertson: this was referral which we previously heard in appeals. We have since had an application for provisional Certificate of Occupancy which was revoked for non-compliance. Inspection was done in March and the bed was removed from the basement and solid progress towards cleaning and reduction of items but not a lot else checked off the report. At that time a new letter was sent to comply or vacate by April 24. The primary items discussed previously of concern were the cleaning and reduction of the storage, but there are a number of other corrections that need to be taken care of. That is what you're working with the contractors on I believe. Some do require licensed contractors like the electrical. I'm a little concerned about coming to a plan for ongoing cleaning. I understand there was some assistance with House Calls to get the cleaning done initially but with the number of animals in the property and ongoing contributing factors, it will be a

continuing process to keep it clean. Not just a one-time deep clean.

Curtis Persson: yes.

Moermond: let's give another call to the number we have.

[Voicemail for Bardwell left at 2:52: this is Marcia Moermond again trying to reach Peter Persson or Melissa Bardwell. We'll copy you on the follow-up letter on this]

Moermond: I talked to your son and his girlfriend and I'm thinking we need a work plan. Something specific about when these items will be addressed, and by whom. For example, you have an electrical contractor, ABC Electric and there is a timeline on when they would do that work. I'm looking for some assurance they will be taken care of and the best assurance I have is if someone has through thought the process and worked it out versus sorting it through. Is that something you can do with your son and girlfriend?

Curtis Persson: we're ready to roll. We have that carpenter coming down.

Moermond: and we have carpentry, electric. Cleaning.

Curtis Persson: listen, we started cleaning. The electrician might be harder.

Moermond: the orders have 33 items on it. What may work is to look at those 33 items and write down what you will do to address it, who will do it, and by when. Throw some rope around it.

Curtis Persson: you have to understand—

Moermond: I think I understand pretty thoroughly. We have to get this under control. The City has shown a lot of grace in not ordering this vacated. I need a plan on paper. A commitment, a good faith commitment in writing. That will help me immensely in helping you. I want to. I wouldn't have talked to them so long at the Council Public Hearing if I didn't think it was doable. I hear someone is coming down next week, so 2 weeks at the earliest.

Curtis Persson: he has the list of 33 items and he has gone through those one at a time, I can do this and this. He has looked at it. He has done some of it. Peter has done some I believe. You sent pictures before. But he never got them.

Moermond: Mai Vang mailed those pictures to your son on the date you filed the appeal. A large yellow envelope—

Mai Vang: I sent to Curtis.

Moermond: Melissa Bardwell got the photos in an email. I do remember talking to your son and saying the way to contact him was through her email. It would have come from Greg Weiner in our office.

Curtis Persson: we kept asking Peter and he said he didn't get them. Maybe he didn't know that.

Moermond: we're pretty far afield here. We need you to work with your son and get some firm answers on when and whom these items will be dealt with. And things taken

care of can be noted in that plan. Is that plan something you can tackle?

Curtis Persson: that would be fine.

Moermond: you have the March 22 orders. We can email them also to the email address so she has them in case they want to write on them and you can coordinate. Have a draft plan first thing into our office by Monday April 24 before we talk Tuesday afternoon the 25th.

Laid Over to the Legislative Hearings due back on 4/25/2023