



City of Saint Paul

15 West Kellogg Blvd.
Saint Paul, MN 55102

Minutes - Final - Final

Rent Stabilization Appeal Hearings

Marcia Moermond, Legislative Hearing Officer

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651-266-8568

Monday, June 26, 2023

12:30 PM

Room 330 City Hall & Court House

12:30 p.m. Hearings

Bailey Miracle and Rachel Waters, Appellants and Tenants

Joe Collins and Ben Herding, Landlords

Lynne Ferkinhoff and Demetrius Sass, DSI Staff

Moermond: It's my job to hear your appeal on behalf of the City Council. What I need to do is develop a recommendation for their consideration. I'm giving them a recommendation. If you and the owner are okay with what that recommendation, or don't object, the Council will adopt the resolution without discussion. If for any reason you are not okay with what I'm recommending to the City Council, this goes forward on a "public hearing consent agenda." The Council Member will talk about it and you will be given an opportunity to speak, as well as other interested parties. What I like to do in this process is to start out with the staff report and have staff describe their reasoning in reviewing the application and making their determination. In this particular case, we have a self-certification application, which means that it can be filed online and that the owner is to retain supporting documents and if they're requested they need to be brought forward. As soon as you file an appeal, I request those documents be submitted to my office and we share them with the Department of Safety and Inspection (DSI) staff. So, the application for a 3% to 8% exception to the rent control cap receives the same kind of review that would be given to an application for a higher rent increase. I believe that these documents have also been made available to you both. What I will be asking of you, as appellants, is what why are you appealing and what are you looking for in the appeals process? You provided a nice amount of information, good background on what you're looking for and why. I will hear then from the property ownership representation. However, anybody who's interested in the case and wants to speak will be heard before we wrap up. For most of the cases I do, I don't arrive at a conclusion as we're sitting here, I go away with the information that I've heard and the documents have been presented. I look at it all and develop a letter that I would send to you all and copying the owners with what my recommendation. When you get that, it will have a public hearing date. Sonia Romero, will confer with people to make sure that the public hearing date is something that would work for everyone. A final determination on the application has not been yet made and as soon as you file an appeal, the rent increase is stayed, frozen. Once The Council votes the stay goes away and then things move forward. We have Lynn Ferkinhoff and Demetrius Sass from the Department of Safety and Inspections. They are the staff who work in rent stabilization there. I'll ask them to get us started and then we'll talk with you.

Ferkinhoff: On April 19, 2023, the Department of Safety & Inspections (DSI) received a self-certified application for an exception to the 3% rent increase cap per Ordinance 193A for 696 Conway Street. Megan Peterson, an employee of Housing Hub, submitted the application on behalf of Fair Housing LLC, which is listed as the owner

of the property. The intake form is part of the record. The application notes that the requested increase: 1) will comprise the entire building; 2) will not be consistent across all units; and 3) will take effect on July 1, 2023. DSI staff understands that there are three units in the building. Unit 1 was noted as "vacant" at the time of application, with a possible "move in" during May 2023. The reasons for the rent increase listed in the application include: 1) an increase in housing services; 2) an increase in real property taxes; and 3) an unavoidable increase in operating expenses. Per the self-certification process, the application was automatically approved. On May 12, 2023, an approval letter was sent to Ms. Peterson. Letters were mailed to the tenants on May 10, 2023 (Unit 2) and May 12, 2023 (Unit 1 and Unit 3). For self-certification, applicants are required to provide several pieces of information from the worksheet used to calculate Maintenance of Net Operating Income or "MNOI." The information includes: 1) current year gross scheduled Rental income; 2) fair net operating income; 3) missed fair revenue; and 4) allowable rent increase (missed fair revenue /current year gross scheduled rental income). Staff verified that current year gross scheduled rental income and allowable rent increase were incorrect in the application as submitted. Staff worked with the applicant to try to correct the information. The following are updates to the data provided from the original application: current year gross scheduled rental income from \$11,724 to \$23,352.00; fair net operating income from \$13,807 to \$15,749; missed fair revenue from \$14,996 to \$5,815; and allowable rent increase from \$416.56 to 24.91%. Note that the actual allowed rent increase in the self-certification process may be between 3% to 8%. This is a Class B property with one complaint to date in 2023. The complaint is currently under review.

Moermond: Just to reiterate, looking at the math on the reasons why it could be increased under Chapter 193A, it shows up as having an allowable increase of up to 24.91%. The application was self-certified and therefore capped at 8%.

Moermond: The increase in housing services, do we have any sort of a statement about what that would be?

Ferkinhoff: No, I don't believe that we received that.

Moermond: The operating expenses in the property taxes would have had a confirmation from you folks though. One last question, in the section of the code that talks about reasonable return on investment, it says the city shall establish a process by which landlords can request exemptions to the limitation on rent increases based on the right of reasonable return on investment. It appears to me that some of the factors listed would be justifications for a decrease to the level of exception to the cap. For example, housing conditions wouldn't have been evaluated as part of what you are looking at. I'm seeing this is considered a Class B property by Fire Inspections, and there is an open order without further review from Rent Stabilization staff.

Waters: This number right here, the allowable rent increase, is it reflective of what would it actually be? Because you said it could be capped at 8% or possibly less than 8 % percent of the rent.

Moermond: Correct, the application asked for an increase between 3 and 8%. It didn't ask for anything higher than that. They ran the math to see if it checked out, 8% checks out. The 24.91% isn't the number we're going to concern ourselves with, except that it's that many percentage points higher than 8%. There are 9 individual points listed that can be evaluated and we talked about the ones they are using to justify the increase. Your appeal seems to be about things that would justify a decrease, and that decrease could be a decrease from the 8%. So, we need to have

a conversation about what you've been experiencing. I need to figure out how I need to analyze that in the context of the appeal and their application. You provided a lot of background information, and before I go there did you have questions right now? You had the 24.91% question. Did you have anything else jumped out at you?

Waters: I guess just the application for the rent increase that was granted based of their evidence, but our evidence wasn't considered before that, so this is now where our evidence is considered?

Moermond: Correct, I need to respond back that they submitted information, and the process is almost automatic when the requested increase is between 3 and 8%. The online application to apply for a 3% to 8% rent increase receives minimal staff review. The real staff review happens once you file the appeal, we get all the paperwork in, and staff do a full analysis. There are post cards that go out, and the first one, it's simply a heads up an application has been made. The second one is a heads up that a determination has been made and says that if you disagree with that determination. I have a proposed lease and an old lease, so we can compare them.

Waters: Starting from the beginning. This is our first rental unit, and we were expecting a little bit different. From the beginning things haven't been as we're told, and as it has been written down in our lease. We're told that community/share areas were going to be maintained by their maintenance team, and that snow removal more than 2 inches will be taken care of by their maintenance. There are also specific terms of the lease that cover when other tenants knowingly put us in actual danger. There was very limited response until we kind of got a little bit more aggressive. I don't want to have to deal with lawyers. I just want to be safe at the one place I am supposed to feel safe. There was a dog that was downstairs and it attacked her [Bailey Miracle] nipping the back of her leg.

Moermond: What did you do in that circumstance. Did you make any calls or complaints?

Miracle: We have called the police a few times because that's not the only kind of bad thing the dog did. The owner of the dog was a lady in a wheelchair, and this dog is very aggressive. He is cooped up in that unit and whenever they would let him out, he would just attack anybody down the street. He would run-up at our car and scratch our car window. We couldn't get out of our own car; and would be stuck in our car until the lady would bring her dog back in. It's been snowy and they didn't keep up with all snow removal. We've had to run away from the dog in the snow. It got icy, to the point where we have hurt ourselves. The cops said that they can't do anything about it because the landlord wasn't there, and that he had to be present. We called the cops twice because then it started getting really bad. The people downstairs knew we didn't like their dog and we started having issues with them. They were kind of nasty people. They finally left, and we complained a lot to the Housing Hub people about the nasty things that they would do to us and how they would retaliate by sending their dog on us and they wouldn't call him back. The lady was kind of evil.

Moermond: Do you have this person's name?

Waters: We only remember her first time. I think her name was Gwyn.

Moermond: Did you make a police report?

Waters: We called they didn't seem to do anything. It was a woman officer and a male officer that showed up and basically said, I don't really know what you want me to do. There's no blood, it was bruised, so there's not really anything we can do about

it. You can complain to your landlord.

Moermond: The reason I'm coming back on that is because I don't think that was good. I personally think the right response is to say, let's get Animal Control involved. If a dog has bitten somebody, that needs to be investigated. I'm kind of disappointed in the lack of more information but I just wanted to say to you that there is a process for dealing with that. This is not necessarily a situation where the landlord needs to make that call. So, this is happening with the dog downstairs it was some kind of a service dog for a woman in the wheelchair?

Waters: We should not have to deal with this because Housing Hub recognizes that certain breeds of dogs shouldn't be in their properties due to the aggressive nature. In the lease it stated that type of dog specifically should not even be on the property. We brought that to their attention and our response was that the dog had been grandfathered in from a previous tenant. But it's still a lease violation and so is all the poop in the lawn and not being on a leash. It got to the point where it felt like we were banging our head against the wall because, who do you call? We call the office, and we have a recording of them saying we have numerous letters actually in the past about this dog. I don't know why they weren't followed up on. They have the knowledge; they have letters and complains about the dog before and the dog was still there, and we got attacked by it and traumatized. That's just within the first 3 months we moved in.

Moermond: When did you move in?

Waters: It was I believe it was on July 1st of 2021 would have been our initial move in date.

Moermond: Did that tenant live there at the time you moved in?

Waters: Yes.

Moermond: That's a long-term of thing you're struggling with.

Waters: Yes. We have been given notice about the dog and I don't believe the tenants downstairs had left. It was probably about 7 months or more than that. I understand eviction is a process and it takes a long time but if the violations were there before, and there was that many of them, I don't think we should have been put in that predicament in the first place. Secondly, there was a vehicle that was parked in a driveway when we first moved in. We had asked the tenants initially is this your vehicle. How are we going to work out the parking situation? They said, oh no it's not their vehicle they don't know whose it is. We ended up calling Housing Hub to see if they could have it towed, and they said that we need to call the police. Anyway, we had to call the police for it, and they ran the license plate on the car, and found out that it's a car that had been recently doing some type of criminal activity. I don't want that there, you know? All during this time there is a wasp infestation in the window that's above that truck and they're coming in. They stung me, her [Bailey Miracle], and they also stung my cat numerous times. We had to live with those wasps for those 3 weeks, and that truck was still there because we kept putting in requests about it. We kept saying, can you please kill this wasp nest, or can you seal the windows because they keep getting in. They had known from moving date that the windows were not sealed, and they said they were not going to do anything about that but that's a different point. These wasps are still getting in and they're sending a maintenance guy out and getting frustrated that he can't do anything about it because the truck still there. He's frustrated that he can't do anything about it. We are still having to deal with the wasps for this entire 3 weeks. I understand you're supposed

to get a certain my notice to get a vehicle towed, but I'm pretty sure it's not 3 weeks. They actually never came and eliminated There's no snow removal or ice removal at all. When you walk out there, and they let the dog out you're just running on ice. We were scared for our life and even talking about I'm shaking. It really brings out traumatizing memories.

Miracle: We missed out on a lot of work because of that dog. We would look out the window and see if he's out because that lady would leave him out for a very long time. He wasn't on a leash or anything he was just pooping in the yard or the neighbor's yard. We would look out the window to see if we can make an escape to our car because I had to go to work in the morning and I couldn't even start a new job at that point. It didn't work out because I couldn't make it to work because there's literally a killer dog outside. He would come up to our unit door and sniff under the door and scratch it and growl because he could smell my cat. A lot of the times we would want to get food delivered to our house and we couldn't go down to the front door to get our food, so our food just sat there, and we just paid money for no reason for that food. I started doing grocery delivery services so I can make my own schedule specifically for that reason because I can't be on time to go to work during that specific time because he was out there. I never knew when he would be out or not which it made it really impossible to work.

Waters: People shouldn't have to go through this. Also, about that truck situation we had let Housing Hub know about it. They asked if we could take a picture knowing we already had issues with the tenants downstairs. They asked if we can please take a picture of the truck so they can know what it looked like. They take the picture that we clearly sent from our upstairs to us in a mass email asking if you know whose truck this is and that it needs to be moved the next day. Next day we come out and our tires have been popped. I wonder why? Maybe from retaliation. We expressed this to the office, and they said that they didn't have anything to do with that and if you have any evidence to file a police report. No, I don't have evidence of these people popping my tire at 3 in the morning while I am asleep, but I know that they did it. There's black mold all over the ceiling. I just can't begin to start naming a list of problems the basement flooded completely. We're told we can't use our bathtub because it floods in the downstairs unit. Where in my lease does it say I can't take a bath? I think that's up to you to be fixing that.

Miracle: There is no ventilation in the bathroom so, it's really steamy and everything is just dripping in the bathroom, and the towels are damp. We are told that there's no ventilation in the house and that it's hot and moist and that no air circulates anywhere. Their response was to just open the window. It was wintertime and also the windows are literally like hip level, well the one of the bathroom is, so if I'm showering and the window is at hip level you can see stuff.

Waters: You should have privacy in your own bathroom, and not to mention because there's no ventilation, so there's mold because if there's going to be heat there is going to be moisture, and there is going to be darkness, and that's where mold loves to be. All they do is cover it. The house itself, the floors are caving, and it is probably due to the moisture, and there are also splinters. We can't even walk in our house without sandals on because we're going to get splinters and our cat also gets splinters. We have to pull splinters out of her feet weekly from that. We've ended up just keeping our cat in her own room so that that doesn't happen anymore. But that's not something that we should be having to do. I shouldn't be making all these compromises at all. The most recent was the attic, and our original lease we were allowed to store in the attic and basement. I don't know when that changed. When we moved in, the tenants that we're downstairs they didn't have their things in the basement because the condition of the attic and the basement were both terrible, and

everything was open to the outside. This house is not sealed from the outside and so there have been, ants, wasp, roaches, mice, and even a rat. We can't get our (AC) unit to get below 80 degrees right now because the circuitry is bad in the house. Also, it will not allow to have more than one AC unit running at once. You can't plug in a vacuum and have the AC on at the same time. If I want to clean my house, I have to do it at a 90-degree heat or have the TV on. Things must be turned off. Combined with the fact that I'm only allowed to have one AC running and the houses isn't sealed it, it's hot, it's miserable. It's literally unlivable, our food that is in our pantry goes bad within a day or two. All our produce and fruit get rotten because it's so hot. Last year on October 16th, I believe it is the date by law that the heat has to be able to be accessed by the tenants and it has to be on, and they didn't do it. They're the ones who sent out the email saying, that by law we must have it on by this date and didn't even do it until 2 days later. At that point, you're just breaking the law. We are being disrespected at this point and traumatized to be honest with you. I haven't seen a single person from Housing Hub except for the maintenance man since we moved. Their office has been closed the entire time due to COVID which okay I get it but if the doctors' offices are open and masks are optional don't even use that as an excuse anymore. You're not doing your job and you just don't want people to have access to that because every time I call, I never get a call back even though they say they're going to. Recently, we were trying to renew our lease and a man name Steve sent us a link. I said, hey it's not working can you give me a call so we can figure this out, didn't call back. I leave a voicemail instead we got a text back. You don't get a call back from these people, but you'll get a text. It's like dealing with the high school lunchroom. I'm an adult that wants to get this problem solved. I can't do it whenever you feel like texting me, answer the phone, and get this problem solved. Still to this day we had to mail in a copy of the lease, and they said don't worry about it we got this and that it's fine. I have that text right here and then they just sent us another one through the portal saying they didn't get it. This is the most recent things, which feels like everything we do involving them is 10 steps long. I don't know why they think that they should have any sort of increase because of housing services that they're providing. They're not providing the ones that by law they should be providing and not only is this illegal and they're practices are wrong. I'm traumatized when these people walk in the room because what they represent to me and what I've gone through living at this address. The response that I get, it's one thing, and if I go through that I get things happen and that the world is not a great place, properties get old, things happen. If you want to work with me on it, and you want to treat me with some respect. I have rights, I have tenant rights, you disregard those, you disregard my concerns, and you disregard my safety, and you disregard the things that you say in the lease that you're supposed to be keeping up with. At this point, I'm not sure what they're doing.

Moermond: We talked about a list of concerns. Some of them are what I would categorize as being behavioral, and some are physical building condition related. I'm going to follow-up in particular on the second category there, the physical condition. I'm going to go back to the wasp nest and just try to figure out what the location of that nest was relative to the truck and the rest of the property. I'm a little bit confused about that.

Waters: I can use this piece of paper just as an example. The front of the house would be facing the street, which is here, and our driveway runs along the side of the house. We are on the upper unit, and we have a window right here on the side of the house right above the driveway. The truck had been pulled in kind of far, so it was directly under that window.

Moermond: Was that wasp nest under truck or was it in the truck?

Miracle: It was in the window of the house.

Moermond: It was in the window of the house. A lower unit had a wasp nest, and it was being blocked by the truck so it couldn't be dealt with?

Waters: It was on the outside of the house right above where it splits from the window downstairs to where it starts becoming upstairs. It's kind of the top, not exactly the window, but what comes out to go over across the window. They had found a little hole in there and had gone in there and somehow made it inside the walls and they were finding ways to come out into our living rooms, through vents through cracks in the window could have been holes from the floor or trim from the floor, and we could hear them.

Miracle: We collected them and pretty much filled up a whole mason jar full of bees.

Waters: There is a picture somewhere of them. We had to use the spray, and we couldn't do much about it. We had to kill them every day when we got in there and they just kept flying in. We had to basically barricade ourselves in our bedroom until winter. Then the problem just took care of itself. Mother Nature took care of the problem, Housing Hub did not.

Moermond: You talked about other kinds of infestations that have been problematic in addition to the wasp. You want to tell me a little bit more about that, for example, the timing, the nature what steps did you take. You know, just a little bit more because you kind of went through the list of all the different kinds of infestations that one might experience outside. I did not hear bedbugs, but I heard pretty much everything else. Tell me a little bit more about what you mean.

Waters: Absolutely, well we tend to have all sorts of critters especially around the back door because it's not sealed to the outside so, anything just crawls in there. But the things that we have the biggest problems with are centipedes, and mice which are a huge issue. We let them know that we had found rodent droppings towards the end of the first year of living there. We have notified them about that and they said they'd have pest control come out and deal with it. We brought our cat out for the day came back didn't smell anything or see anything. We clean later that week, and we look behind the fridge. They had those little Terro traps for ants, and I am really not sure how that's supposed to catch a mouse. That may not necessarily be the contractors or Housing Hub's fault but maybe the communication of what the issue was. We still have mice there and they are getting into our food all the time, our clothes all the time, and they're just literally everywhere. We've gone up into the attic because it got kind of hot, and I think that's where everything is coming in because there's just baseball sized holes to the outside. There's about this much of a gap between my door outside of my unit and the attic right there, and if you follow the stairs down to the front door, same gap to the outside. The whole world can just come into our unit none of it is sealed. I know that there are squirrels in the attic. They said that they were going to hire some contractor to come and take care of that. They said that they will be here on a Friday to do the estimates, but I was there on a Friday, and nobody showed up. I tried to contact their office and ask them about it, and they said, oh no they are there. They told the Fire Inspector that he was coming, so I'd like to see if that's legitimate as well. If it's not, then the animals are going to just be continuing to come in. I don't care if I can't use the attic, but I don't want water getting in into my ceiling, and I don't want animals getting in. What if my cat gets rabies or we get bit or we have an infestation. I mean, mice poop can carry a lot of diseases.

Miracle: Whenever they try taking care of the rodent droppings, they put all these little

poison traps everywhere. I have a cat and I am afraid that my cat will eat those poison traps. I wasn't even aware that that's how they will be getting rid of the mice with little poison traps. If I would have known, I probably wouldn't have called them and thought of a different solution because my cat could eat those poisons. They have poor solutions for everything when they want to. When we have an issue like our shower goes on a slant, and the curtain does not cover it only the square, but the whole slant triangle is completely open, and water is just everywhere. There's a lot of mold in our bathroom because of that reason. We had a maintenance man named Andy who came to help us with that situation. All he did was he just laid the shower curtain rod and said that we could rig it somehow into some weird way. I don't understand what he was trying to do but he left the project and just left the shower curtain rod right there on the floor. We had a few issues with that particular maintenance man. He was just a little mean, like kind of stern. My wife was taking a shower one day and he supposed to be gone on his break but he was supposed to be coming back eventually to fix our door that was unsealed clearly with gaps all around it. It's our back door and I told him my wife is showering right now, I know you're coming, but can you wait? He was persistent that it was going to be quick and pushes my door and starts walking to the kitchen to the door that needs to be fix. The shower and the bathroom are right in that kitchen area. I had to just grab some clothes out of the dresser and just throw it in there for her. It was just weird and awkward.

Waters: The doors in the house none of them stay shut. That was the other problem, the bathroom door wasn't even shutting because it can't shut. We've had incidences where they were supposed to give us a reasonable time of notice before them coming in. We had another issue the other day where she was in the shower, it seems to always happen lowering shower. They message us saying he's going to come by today. We responded with today it will be fine let me know when he's coming by because my wife is in the shower. She replied saying he's there outside. I was like OK; well, she's going to finish up her shower. I don't know who was in office that week, but every single person we talked to has the same attitude. I don't know what it is. I told her to give us 5 minutes and she said whatever. My wife said that she would hurry up because she just didn't want to deal with the situation anymore, and we wanted to be present because in the past they have damaged our things while we're gone. We said if he can come in 5 minutes, and apparently now he's going to take his lunch and he's not going to comeback that day. It's like they play these little games when they do something right when it's a good time and available for them. Well, you didn't give me any notice. I don't know what you want me to do, and not to mention they turn the water off when they had the renovations downstairs happening. They didn't let us know in the middle of rush hour before school and work. There's no communication before the thing, and there is rarely communication after the thing. There's only communication if we open that up and it's because there's an issue. I would love to never have to call their office about anything ever. Again, that would be my dream come true. That just everything goes the way that it's supposed to go. I mean, shouldn't that be expected, right? Other than like certain things happen all you know the sinks are not draining or this or that. It shouldn't be like wildlife migrating into my house because it's not sealed. There's a bunch of black mold on the ceiling of the bathroom. There's all this stuff going on. Even the stairs in the back are about to collapse. I am just counting and waiting for the day that I fall through the hazard.

Miracle: I had a situation with my kidneys, which I was in the hospital for a while. I even missed my birthday because I was in the hospital. They finally let me go home, and I was home for about 3 days and started feeling really sick again. She called the paramedics and they had to come and pick me up. The paramedics are part of the Fire Department, and they had no idea how to get me down or up this house. I couldn't move, I was in a lot of pain because I've had surgeries and stuff done. They

had a hard time getting me down the stairs and were trying to move to see what was stable enough. They commented how all the stairs were hazardous.

Waters: Yeah, they were nervous. It's just been too much. I don't see how they can justify an increase, I really don't. I understand with inflation, operating cost, and everything else that goes up. It goes up for everybody. We can't even feed ourselves. If you did what you're supposed to do, and you've been doing it the whole time we wouldn't be sitting here. If you did your job, I have respect for that.

Miracle: When they do their job, they do it in a mean way, like nonprofessional. It's as if they were mad at you that you even called. We were not trusting maintenance to come to our house anymore without a notice specifically in our unit because we had a situation where a maintenance man said, hey, I'm coming to your house, are you going to be there? We're like yeah, we are literally 2 minutes down the road, but yes, we'll be there. I'm thinking that he probably won't go into the unit because we said we will be there in 2 minutes, but he did. Since we don't put our stuff in the storage area in the house because the storage areas are very poor and leak. We take care of our stuff, and we have them all in tubs and in stacks. Our living room is almost unusable to be lounging in because all our storage is in our living room. He came in and he need to see the thermostat. I don't know why he had to move my stuff because he could have just gone over them, but he didn't. He just pulled my tubs out and all of my stuff fell on the floor. My guitar was all broken and had chips all over it. My bow and arrow that my dad gave me for my birthday was on the floor. I had a collection of colorful clear jars, and they were on the floor, too. I couldn't believe that it looked like we got robbed that day. That cuts why we just don't want them coming to our house anymore without us being present. Every time they do have a maintenance thing, it's like we're going to come anyway, even if you're not there. We're just trying to get there as fast as we can back home. I could have just been out and working on a grocery order, but I had to leave that order. This place makes it almost impossible for me to even work a regular job. I don't want to be working this grocery job anymore. I'm not making much income because of COVID. It's not a service anymore that people need because they can go to grocery stores.

Moermond: I'm going to bring us back for a minute. You had mentioned the black mold and explained this is in the bathroom and it's because a ventilation issue for you, and you mentioned splinters. Can you elaborate a little bit about where those splinters are coming from and just what's going on with that?

Waters: Sure. The floors in the unit are very uneven, and they are kind of starting to cave in, especially in the living room area. I don't know what kind of trim they have but it seems like they have metal trim on wood flooring, so that's probably one of the issues there. It's caving in and a spot right by the trim where there is a step off on to the tile floor down there. It started to cave in which has made the wood split all the way down and along those panels. It's the only walkway in the house, and it's the only place to walk, you can't avoid walking on it and because there's that step down. It's gaining weight up and it decided to be the place to cave, and all the wood connected is kind of parallel a split a long that wood. We have our shower on and you can feel the moist in the whole house for hours afterwards, it's like a rainforest. I'm assuming, that some of that moisture lifted that wood and because of that there are splinters. The floors are waiting to fall through.

Miracle: You can see that the woods are not even level with that metal trim that they laid in front of it. The wood is completely going under it. It's very uneven and that walkway is the living room just area. It's kind of confusing, but it is a living room as well. You can't even shuffle your feet, run or anything because you will automatically get a splinter. Even chunks of the wood floor come off, and then they're just laying all

over the place and just making my floor dirty. There is wood everywhere to the point where I feel like I am at Menards.

Moermond: The air conditioner unit, I take it we're looking at a window air conditioner. Is that provided by them?

Waters: No.

Moermond: That's your own?

Waters: Yes.

Moermond: I have a lot of notes. Is there something we didn't talk about? Otherwise, I'm going to offer staff, an opportunity to ask questions. After that, I'll turn it over to ownership, representation.

Ferkinhoff: I don't have questions.

Moermond: Mr. Sass?

Sass: I do not.

Moermond: All right, are there any other things you want to say before we switch gears for a few minutes?

Waters: I just want to touch base again on the circuit of the house. We did have the maintenance come out and said basically, it's an old house and there is basically not much they can do about it and not to have stuff on at the same time. But if you look at the fuse in the bottom, you can see that one is for this room and one is for the other, and then they have an entire side of the house wired to another fuse. We're always having to go down there. Sometimes we have the regular things plugged in that we've learned to keep plugged in and will just be sitting there trying to just enjoy a meal and the lights go off, and down to the basement again we go. It's to the point now where the circuit is bad that we go to flip a light switch and the light doesn't come on. We have to sit there and wrench with the light switch just to get the lights on in our kitchen or bathroom, and in the fridge room, kind of the room that the fridge in the pantry is located in by the back door.

Moermond: Thank you for your comments. Mr. Collins, I see you and you have a gentleman with you who's name I might have heard before, but I cannot remember.

Herding: Ben Herding

Moermond: You heard a lot there and I was kind dividing some of the behavioral kinds of things from the physical conditions. What comments do you have based on what you're hearing?

Collins: There's a lot to unpack there. You can see why being a landlord may be tough. Just on the behavioral stuff this was during COVID there were no evictions. It was a handicap TSA dog that had years of service time.

Moermond: Was it a service dog?

Collins: Yeah. You won't win in court with that one. We worked with her, and her medical helper, and medical worker.

Herding: I mean, her roommate, also passed away.

Moermond: Okay, so the person downstairs with her dog had a roommate that passed away, just so we are in the same page.

Collins: Yes. I mean, we heard all their concerns. Two people living in the same space can be challenging. I tell people at all times that trying to get neighbors to like each other who aren't even living in the unit, other properties on the block, city, state, whenever it's hard to balance and make everybody happy. But as soon as we could, we did move her along. It just goes to show that we don't want to throw people on the street. This is a handicapped woman. She may have had some mental issues, but we're not just going to throw people on the street. We're going to work with them and try to move them as dignified as we can. I think we did that. She did have a balance of \$7,000 when she left, and we would love to recoup that. But it's kind of one of those things that it's a community thing. I mean, we're going to work with the community and we're going to try to do the best we can for all. Sometimes you can't make everybody happy. Some of the statements that we never came out, that's false. We have records of that we always came out a lot of times and we came out and they sent us away. We would say we're coming on Tuesday, and they would reply we can't do that. Pest control was pushed away, and we can't just tow cars because then I'm getting sued and I will be paying to get it out of the impound lot. We have to be careful when we're towing, and why we are towing. I think we did the right thing there. We finally got it moved and we worked with both tenants to get that done and defuse that situation.

Moermond: Can I circle back on the vehicle. Did the vehicle belong to anybody associated with the building?

Collins: She was a helper of the handicapped woman.

Moermond: That person just left their vehicle there?

Collins: I think she was just parking there. I don't think she just left it there, I think she's moving in and out and they didn't like that it was there. It shouldn't be there since it wasn't registered to her. To tow someone's vehicle that's helping a handicapped woman it's pretty much not something I want to do, we've got to be careful. Fire and Safety was just out, and we passed in 2020 with a B that's a pretty good grade for a duplex. They did call Fire and Safety again once the lease renewal came out. I don't know if that was just a tiny issue, but all of a sudden Fire and Safety comes out which that's fine, we welcome them, we want to make sure our tenants are safe. They wrote us up on some issues in the attic and none of the other issues were addressed in the write up that we heard.

Moermond: I am going to circle back on that in just a second. I heard from staff that this is a triplex, not a duplex.

Herding: It is a duplex. I think that they would give a couple properties on Conway that the addresses make it seem odd the way it's laid out, but this building is a duplex.

Moermond: Okay, the Fire and Safety Inspection document attached to the record is for a complaint-based inspection. Inspectors would investigate that complaint, but not conduct the full Certificate of Inspection of Occupancy of the building. Your inspector previously gave the property a B grade.

Collins: One of the reasons it's not completed yet is because Fire and Safety comes

out and they catch other things that weren't in the complaint. The chimney is written up and will cost \$4,500. What other issues, pest control, it's pretty much stated clearly in the pet addendum how we treat mice. We can put sticky traps out, but we will be running around all day just retrieving sticky traps. Once a mouse goes in a sticky trap a tenant calls us to come and get the sticky trap because there is a mouse on it. Best way to get rid of mice is poison and kill all the critters. That's what our outside vendors do, and it's clearly stated in the pet addendum.

Moermond: Can you just refresh my memory, is sending out pest control something that you have on a schedule or is that done on a tenant complaint basis?

Collins: Good question, anything 3-units and above we do on a schedule. We have day traps outside anything smaller than that it's if we get in the complaint and we go out and treat. Most properties that have pets, whether it's cats or not, whether they are good mice catchers or not, with food source on the floor you will see mice.

Moermond: Other comments based on what you heard?

Collins: Yeah, one about the documentation. It may seem like there's a concern about avoidance of phone calls. But for both parties, something I stress to our staff is to get documentation through text message or emails so that there's not a "he said, she said" back and forth. Really, that is to just document that process for our records for them and for us to show where we can come back and see what really transpired, instead of saying, well they said this on the phone and now they're saying this. A lot of that reason isn't any sort of avoidance, more really of a protocol with our office and to make sure everything is properly documented.

Moermond: Okay, so if somebody is reaching out to your office, they could get someone on the phone at least during regular business hours?

Herding: Absolutely, and even after hours if you call our number it goes to our after-hours on-call service to be able to put in maintenance requests which are dispatched to our on-call maintenance staff. Joe or I are monitoring those calls, and we even have a handful of people that are monitoring even after call weekend service, too.

Collins: It's something that's necessary. We have over 5 thousand tenants, so we document everything. A lot of that they said we hear in bits and pieces but there is documentation and always follow up on what we're doing. I was confused hearing that we never showed up, when we showed up a lot.

Moermond: Lets focus on the times where there was maybe a little bit of communication difficulty between the maintenance person showing up unexpectedly on a couple of occasions, says the tenants, and the notice issue. What's going on with that?

Collins: Yeah, I think we have one in there.

Herding: It was a few instances of text messages that unit two is refusing service today, so will reschedule some time. This was for our pest control vendor, so we had to let them know that unit two was refusing service and will contact them to reschedule. We also needed to cancel maintenance because of what she was claiming on the tenant about a tire popping. Looking back to see when the tenant roommate in unit one passed away, and that the tenant in the other unit was in a wheelchair, that would be a lot of effort on their part.

Moermond: But you said that the vehicle, the truck, belonged what sounds like, her service worker.

Collins: We gave notice, and we also do tell tenants every month that submitting a maintenance request is allowing us entry because of the nature of that. They are giving us that permission to go in if it's granted to or text to reach out.

Moermond: What are the parameters around that?

Collins: I'm sorry, what do you mean?

Moermond: You're saying making that request is granting approval to enter the unit. What are the parameters around entering that unit? It certainly isn't that you can come by whenever you want. Tell me what the rules are that your business uses.

Collins: You get an automatic response saying, hey we received your work order someone will be dispatch shortly. If you have a water issue, fire, or flood if it's immediate. It is coming same day. But anything that's regularly dispatched, the worker picks up the phone leaving their last job, and tells the tenant, they are 30 minutes away. There is a time window, and we usually are running at next day service. We give tenants at least 30 minutes to an hour.

Moermond: What happens if on a Tuesday evening I notice that the sink is leaking, and I text you letting you know. How do you balance the 24-hour notice vs. the most efficient response. It must be that if you have a tech available at 8am the next day somebody at the residence could be getting ready to run out to work.

Collins: There's an online person that pings on a call. We also have a backup dispatcher that works from home. She covers from 5 o'clock till midnight, and she watches anything that comes through and then it will be flagged. If it's something that's an emergency, she'll contact the tenant. Is this something that can be controlled? If you can't, we're going to send somebody out tonight. Is that fine or can it be controlled? Yes, it can, okay, somebody will be there tomorrow at 8 in the morning. That's how we can track that down.

Herding: It's very normal business hours for a maintenance technician because that's when they work, except, for our on-call maintenance technician who's answering the phone. It's costly to the owner to send out maintenance after hours, so we do reach out just to make sure that it is warranted. If it is between those hours, I would even say probably closer to 9 a.m. to 5 p.m. are those normal business hours. We have tenants who submit work orders but then say they refuse entry, and that kind of contradicts a request for help so we seek for clarity on that, unless it's a common area where the outside of the building. It's hard for our technicians to give exact time. We try not to set those expectations or allow appointments because of the amount of work that is being juggled, but they do try to reach out when they're on their way.

Collins: They can deny entry, and we have that a lot where today is not going to work can you guys come tomorrow afternoon? That is in the technician's radar, and they know it. When you start giving those times like we're going to be there between 9 or 11, and you don't show up and no one stays at home. It's a nightmare.

Moermond: I heard the bathtub wasn't allowed to be used, what do you have in your records on that?

Collins: Did you see anything in there? And I did not.

Herding: I mean, there's a work order. This is a recent one from February that there's no water in the toilet and the shower. It could have been something that it wasn't able to be used while it was being fixed. But that's all I see about the toilet and shower.

Moermond: Any other comment?

Collins: Well, just for clarification, the tenant down below, the last time she was in there, I believe it was March of 2022, and she might have been gone by that time. This was about a year.

Herding: That unit was vacant up until very recently. The tenant was evicted and had been gone for well over a year.

Collins: They did sign the lease after that incident.

Moermond: Would you be willing to provide the documentation on the pest control services for this particular property?

Collins: Yeah, we could submit that.

Moermond: What do you do when you have situations like this dog? Certainly, it isn't the first problematic dog you've encountered. I heard it was unleashed and poop in the yard wasn't picked up. It seems like that's a big issue. I know that it's ultimately the tenant's responsibility to manage, if they're allowed to have a pet but the addendum does have some expectations about pets are managed. It sounds like this situation is inconsistent with what that addendum describes. When there's a problem do you provide tie outs for the dog? For example, I let the dog out to use the facilities that are the outside, but you hear the problem, how do you handle that? Because it is a tenant issues and it's also a management issue. Tell me more about what your practice is for this.

Collins: Believe it or not, we don't see it a ton of these. But in this case, we did need that a police report. I mean, it's always good to have a police report, especially in the COVID days. If you wanted to evict you had to show that the tenant was dangerous or a friend, family member or pet was dangerous to others. That was an important part of getting an eviction. Those were very costly, which is something we would have done but without that police report we don't have anything to go to court with. It can become a "he said, she said." We need to be pretty bulletproof, if we're going to evict somebody from their home over a behavioral issue. We need documentation, fines levied, before just asking to remove your pet or just threatening eviction. Sometimes that is good enough but in this situation trying to move remove a tenant that is handicap with a service dog we thought the best route would be a police report.

Moermond: So, did you initiate any kind of investigation as the property owner without the police report?

Collins: Yes, but we never saw the dog running just wild. We have probably 15- 20 tenants on that block and no one else was complaining about a dog loose running around. I think a lot of the problem was between the 2 tenants and how that kind ended up playing out.

Moermond: I'm a dog owner with a fenced yard. My yard wasn't fence when I moved in and I had to use tie outs until it was. I would have to say that without putting a point on where the dog poops it gives you an idea of where the dog gets to go. If it's

wintertime and I'm wondering, would you look for something like that? You know if the dogs being reported as being kind at large.

Collins: I think she did have somebody come over and help out. Of course, when the snow melts, we see the pile. We have pet owners who are not responsible and that's addressed through a fine or the threat of eviction. It was just a unique situation over there. We have text messages that say if you don't take care of this dog, I'm going to shoot it and I'm going to shoot her. When you get those text messages, there's not a lot of cordial conversation you can have with the tenant.

Herding: A note from Lynn calling in that they are making threats that they will shoot the dog. It's a note from our customer tenant coordinator talking to the lower unit.

Moermond: She said, she said rule would apply to that as well.

Collins: Exactly.

Moermond: And your investigation would be? Did you talk to the lower unit tenant about their dog?

Herding: Yeah, so there's a lot of requests to talk to the tenant. I need to ask why the dog is not on a leash, why is the dog poop not been cleaned up. We have been talking to Lynn about the lease violations for those pets. Part of that pet addendum has been documented on here, too. Again, you've got to remember that November of 2021 our hands were tied in our abilities to make certain moves above just that constant requesting and checking up on and working with that tenant. But I do see documentation requested and a follow-up.

Moermond: Last question for you all, one of the things that is listed as a reason for you seeking an increase above the exception to the 3% cap is an increase to the housing services. What would that be?

Collins: Did we even include that?

Herding: It was one of the checked boxes. Usually, that is maintenance and upkeep and even management fees.

Moermond: Isn't that something that's included in operating expenses and not in housing services? I'm looking to staff here.

Sass: Housing services are services provided by the landlord. Let's say that under the previous ownership, there was not landscaping offered but with this new ownership there is landscaping offered. That could be increased housing services.

Moermond: Thinking about it that way, a new service that is being provided not an increase in costs that would be captured in the maintenance and operating.

Herding: Yes, there's a line here for landscaping, and it looks like 2019 there is not. They did about \$2,000 in work in 2022, specifically in landscaping.

Moermond: A part of it is the \$2,000 increase in landscaping, where are you getting that number from?

Herding: It's from the accounting from the owner from that general ledger. The profit and loss statement that was reviewed and filled out for the operating expenses before coming here.

Moermond: What kind of a new service would it be on top of what's already accounted for an increase in expenses. Because there's also an increase for a particular unit that would be taken into account as capital expenses that are amortized. There's a place for to be documented within the forms. I'm not familiar with the place in the forms were like specific housing services would be asked for and written out. Is that something that's asked, like if you have an increase in housing services, is that a specific question?

Sass: There is a spot to define what type of services are offered by the landlord in the MNOI, the copy with the full financial information doesn't include that page. It is not one of the earlier ones which I can find in the forms.

Moermond: So, you may have that information?

Sass: I give me a second to look

Moermond: That was pretty much what I was wanting to ask you more about. Do you have comments about the splinters?

Collins: Do you have any? I don't have any.

Herding: I have to look back and see the worker order information, but I have not gotten through every work order in front of me.

Moermond: How do you handle if that were to come forward as a complaint? Let's say you get a text saying that this location in the property, the wood floors are splintering and it's problematic.

Collins: We send out a tech and take pictures. Is it an easy fix? Is it something that we would have to cut the wood floor and replaced the boards that are splintering. We've done that and we will do that, but nothing rings a bell of getting any of that. My question goes back to when they had Safety and Inspection out, which I like that because they can write it all up, tell me what I have to do, and tell me if you think it's an issue. The last time Safety and Inspection came out, all of their attention was on that attic.

Harding: I guess it's all costs related unless you're talking about additional services and those have not changed. But obviously those costs continue to go along with everything else under operating expenses. Even this property too for the current year operating at a deficit for the year 2022. It obviously plays a factor into the request for operating costs.

Moermond: Due to vacancy?

Herding: We talked about that earlier. The vacancy and eviction that took place and repairs related to that unit, meaning that unit and now the attic. It will be at lease a \$5,000 hit.

Moermond: All right.

Collins: I will make an offer. It seems like this place is falling apart and is in great disrepair, so I would offer a no notice if they want to vacate. I won't hold them for the 60-day notice.

Waters: How much time would we have to get our stuff out.

Collins: As long as you want. If you need another month that's okay by me.

Moermond: July 30th you mean.

Collins: If you need the end of July that's fine, or if you need the end of this month that's fine. Whatever. I don't want you living in something that you guys don't want to live in.

Moermond: I had some landlords say 0% increase. I hear your story, I am going to work with you, and we will work on the just cause vacancy later. I've heard other kinds of arrangements and what I say to this whole conversation is that's between you guys, and however, you manage your business among you all that's a private contract between you all. It won't affect how I treat this particular situation and whether or not the unit is vacated I'm going to move forward with writing up a recommendation for the council on this appeal, so unless the appeal is withdrawn or unless you withdraw your request for an exception to the rent cap. In which case my letter to the council will be relatively short. All right, are you amending your application to remove a portion of it that says you're increasing costs related to an increase in housing services? Or is that something that just happened here?

Herding: It can if that makes sense. If it was an unclear definition of what we thought housing services was to that scope.

Moermond: Well, I'm not going to say that it is it, that's your call. I'm just asking as it seemed to be coming up in conversation. You can keep it in the application, or we could verbally amend it right now. It doesn't matter to me. I just wanted to kind of say that.

Herding: It is not going to move the needle any more then beyond 2. If it works to keep it simple then you can definitely take that off.

Moermond: All right, thank you. I will ask for any last comments from the tenants, and we can wrap up our meeting. All right, Ms. Miracle, Ms. Waters, you get the opportunity to have the last word. What would you like to say?

Waters: It's not that we refuse them coming in, it's the fact that we put out these maintenance requests and they came, and they did some stuff but not all. Some of them were canceled out by them, and I know there's no way to have any proof of that, however, we did make phone calls. When you're just hoping that everyone does their job, and you're not thinking the whole time I should be documenting everything that I'm doing, so that if something does go wrong. We're lucky that we did have some of the pictures and some of the things that we did have. However, as far as the dog that was downstairs, emotional support animal, I'm pretty sure nowadays you can just go online and you can buy a certificate for a certain amount of money and call anything emotional service animal, and that dog was a close to 100-pound pit bull. I have a video on my phone right now of a gentleman, doesn't live in my house, running down the street away from this dog, as he's biting his ankles and then coming back with his truck, and shooting snow, all in the front of the house because he got attacked. Either way, there's 15 other people that live in that live in that block that are tenants with Housing Hub. How are they going to know that the tenant in the bottom of our unit is with Housing Hub, and that they could call Housing Hub for that dog? That statement did not make no sense to me, like here is a bunch of other people from Housing Hub living on this block. Why haven't they called to report this dog? How would they know that that dog belongs to a tenant of yours? I know there's houses on the block, and I couldn't begin to tell you which ones belong to Housing

Hub, so how would they. Some of these justifications that I signed a lease after this? Yes, I signed the lease because unfortunately, I have an eviction on my record because my uncle became the inheritor of my grandparent's estate, and I was living in their home. He ended up evicting me from that property so that he could gain the monetary value from that property quicker. That's why I have an eviction on my record, not because I was a bad tenant but because from family. The reason that we have to continue to sign this lease is because we appreciated in the beginning how Housing Hub gave me this opportunity even though I have a criminal record, and an eviction on my record. But they allowed me the opportunity to tell them what happened in the beginning, and they listen with open ears and said, hey you know what things happen and we're willing to give people a chance. I do agree with the statement he made as far as like they try to work with people because I experienced that too in the very beginning, which is why this whole other part process is so shocking. I understand that when you're in charge of running a company it's hard to manage every single employee. I understand some behavioral things may just be how some people act, I understand that. Either way at the end of the day, I'm not signing that lease again because it's a beautiful property. I am kind of stuck to be honest with you, and not to mention about the loss of wages because when you are trying to go out and that dog is there, and it's not being leash it's hard to go. I did call the police and it's on the police that they didn't make their report. It seems to me what happens a lot is I've been raised to be told, okay if an emergency happens to you call the police, or you call the person in charge and you tell them what's going on, and they will help you in doing the next right thing. I've yet to experience that in the City of Saint Paul, and that's very unfortunate.

Moermond: Question, did the eviction on your record did that happen in Ramsey County?

Waters: No, it did not.

Moermond: Did that happen in Minnesota?

Waters: Yes, it did.

Moermond: Do you think that your income-qualified to work with legal aid?

Waters: Possibly? I'm under Supplemental Security Income at the moment and I don't have a job.

Moermond: The reason I bring this up is because they do work with people to have evictions expunged from the record. That is something now that courts will consider your circumstances. You're talking about family and other kinds of things going on there, you're not talking about a traditional landlord-tenant kind of relationship. I put that to you as something that's available. I always tell people this and I will give you the brochure for the House Calls program. I'm hearing you talk about income and the ability to support yourselves and a lot of things impacting on that in different ways. I just want to make sure you're aware of SNAP and that you're aware of Health Insurance options that would be available to you. Is that something that you're on top of and have good information on?

Waters: Yes, I currently receive a \$69 a month from SNAP. That's all that they'll do.

Moermond: Are you aware of food shelf kind of things as well? How about your health insurance, do you have health insurance? I will give you this information anyway, but I will suggest reaching out and talking about your background that is impacting your ability to find rental housing. Get on that now, so that you're able to approach your

next situation possibly without any of that out there. That's something that I want you to take away from this. All right, anything else?

Miracle: I have one more thing, the tenant who lived downstairs before, maybe the lady that was taken care of her was a support person. But I do know that when we were starting to live there, we started seeing a lot of traffic come in our house. Very sketchy music, very sketchy trucks, very sketchy environment. I can even hear the dog barking like crazy because he is wound up. She might have been disabled, but I don't think it was like that kind of way. I think she was involved with some bad stuff, as well as that lady that was taking care of her. The truck was not taken that day from that lady that was taking care of her, it was taken by this weird group of people. That's not our first time like I saw them take the truck I remember them because one night they went up to our unit and they were banging on our door really late in the middle of the night asking if we could move our car because they're scared because the police are coming after them. They want the us to get out of bed to literally move our car so they can hide that. The following day I had to go to work, and the truck wound up being in our driveway. That group of people did not live there, and they almost acted like they owned the house. We had no space or privacy because random drug addict people would come to our unit door and knock on our door and ask us to do things. We didn't want to get involved with these people. When I did see them ta

Rent Stabilization Appeals

RLH RSA 23-10 Appeal of Bailey Miracle and Rachel Waters to a Rent Stabilization Determination at 696 CONWAY STREET, Unit 2.

Sponsors: Prince

Attachments: 696 Conway Apt.2 Appeal 5-26-23 (1)
 Landlord notification to Tenant 5-10-23
 Appeal Notification to the Landlord- 6-2-23
 696 Conway St. #2 lease renewal 2023
 696 Conway St MNOI
 Additional Information
 696 Conway St Fire Insp Notes & Orders
 696 Conway lease renewal 2022
 696 Conway St Fire Insp Notes Orders & Photos 2023
 Owner Pest Control receipt
 Staff Report - 696 Conway Street -- 06-26-23
 Re_ 696 Conway - Rachel Waters and Bailey Miracle- Joe Collins
 Email 10-4-23

*Bailey Miracle and Rachel Waters, Appellants and Tenants
 Joe Collins and Ben Herding, Landlords
 Lynne Ferkinhoff and Demetrius Sass, DSI Staff*

Moermond: It's my job to hear your appeal on behalf of the City Council. What I need to do is develop a recommendation for their consideration. I'm giving them a recommendation. If you and the owner are okay with what that recommendation, or don't object, the Council will adopt the resolution without discussion. If for any reason

you are not okay with what I'm recommending to the City Council, this goes forward on a "public hearing consent agenda." The Council Member will talk about it and you will be given an opportunity to speak, as well as other interested parties. What I like to do in this process is to start out with the staff report and have staff describe their reasoning in reviewing the application and making their determination. In this particular case, we have a self-certification application, which means that it can be filed online and that the owner is to retain supporting documents and if they're requested they need to be brought forward. As soon as you file an appeal, I request those documents be submitted to my office and we share them with the Department of Safety and Inspection (DSI) staff. So, the application for a 3% to 8% exception to the rent control cap receives the same kind of review that would be given to an application for a higher rent increase. I believe that these documents have also been made available to you both. What I will be asking of you, as appellants, is what why are you appealing and what are you looking for in the appeals process? You provided a nice amount of information, good background on what you're looking for and why. I will hear then from the property ownership representation. However, anybody who's interested in the case and wants to speak will be heard before we wrap up. For most of the cases I do, I don't arrive at a conclusion as we're sitting here, I go away with the information that I've heard and the documents have been presented. I look at it all and develop a letter that I would send to you all and copying the owners with what my recommendation. When you get that, it will have a public hearing date. Sonia Romero, will confer with people to make sure that the public hearing date is something that would work for everyone. A final determination on the application has not been yet made and as soon as you file an appeal, the rent increase is stayed, frozen. Once The Council votes the stay goes away and then things move forward. We have Lynn Ferkinhoff and Demetrius Sass from the Department of Safety and Inspections. They are the staff who work in rent stabilization there. I'll ask them to get us started and then we'll talk with you.

Ferkinhoff: On April 19, 2023, the Department of Safety & Inspections (DSI) received a self-certified application for an exception to the 3% rent increase cap per Ordinance 193A for 696 Conway Street. Megan Peterson, an employee of Housing Hub, submitted the application on behalf of Fair Housing LLC, which is listed as the owner of the property. The intake form is part of the record. The application notes that the requested increase: 1) will comprise the entire building; 2) will not be consistent across all units; and 3) will take effect on July 1, 2023. DSI staff understands that there are three units in the building. Unit 1 was noted as "vacant" at the time of application, with a possible "move in" during May 2023. The reasons for the rent increase listed in the application include: 1) an increase in housing services; 2) an increase in real property taxes; and 3) an unavoidable increase in operating expenses. Per the self-certification process, the application was automatically approved. On May 12, 2023, an approval letter was sent to Ms. Peterson. Letters were mailed to the tenants on May 10, 2023 (Unit 2) and May 12, 2023 (Unit 1 and Unit 3). For self-certification, applicants are required to provide several pieces of information from the worksheet used to calculate Maintenance of Net Operating Income or "MNOI." The information includes: 1) current year gross scheduled Rental income; 2) fair net operating income; 3) missed fair revenue; and 4) allowable rent increase (missed fair revenue / current year gross scheduled rental income). Staff verified that current year gross scheduled rental income and allowable rent increase were incorrect in the application as submitted. Staff worked with the applicant to try to correct the information. The following are updates to the data provided from the original application: current year gross scheduled rental income from \$11,724 to \$23,352.00; fair net operating income from \$13,807 to \$15,749; missed fair revenue from \$14,996 to \$5,815; and allowable rent increase from \$416.56 to 24.91%. Note that the actual allowed rent increase in the self-certification process may be between 3% to 8%. This is a Class B property with one complaint to date in 2023.

The complaint is currently under review.

Moermond: Just to reiterate, looking at the math on the reasons why it could be increased under Chapter 193A, it shows up as having an allowable increase of up to 24.91%. The application was self-certified and therefore capped at 8%.

Moermond: The increase in housing services, do we have any sort of a statement about what that would be?

Ferkinhoff: No, I don't believe that we received that.

Moermond: The operating expenses in the property taxes would have had a confirmation from you folks though. One last question, in the section of the code that talks about reasonable return on investment, it says the city shall establish a process by which landlords can request exemptions to the limitation on rent increases based on the right of reasonable return on investment. It appears to me that some of the factors listed would be justifications for a decrease to the level of exception to the cap. For example, housing conditions wouldn't have been evaluated as part of what you are looking at. I'm seeing this is considered a Class B property by Fire Inspections, and there is an open order without further review from Rent Stabilization staff.

Waters: This number right here, the allowable rent increase, is it reflective of what would it actually be? Because you said it could be capped at 8% or possibly less than 8 % percent of the rent.

Moermond: Correct, the application asked for an increase between 3 and 8%. It didn't ask for anything higher than that. They ran the math to see if it checked out, 8% checks out. The 24.91% isn't the number we're going to concern ourselves with, except that it's that many percentage points higher than 8%. There are 9 individual points listed that can be evaluated and we talked about the ones they are using to justify the increase. Your appeal seems to be about things that would justify a decrease, and that decrease could be a decrease from the 8%. So, we need to have a conversation about what you've been experiencing. I need to figure out how I need to analyze that in the context of the appeal and their application. You provided a lot of background information, and before I go there did you have questions right now? You had the 24.91% question. Did you have anything else jumped out at you?

Waters: I guess just the application for the rent increase that was granted based of their evidence, but our evidence wasn't considered before that, so this is now where our evidence is considered?

Moermond: Correct, I need to respond back that they submitted information, and the process is almost automatic when the requested increase is between 3 and 8%. The online application to apply for a 3% to 8% rent increase receives minimal staff review. The real staff review happens once you file the appeal, we get all the paperwork in, and staff do a full analysis. There are post cards that go out, and the first one, it's simply a heads up an application has been made. The second one is a heads up that a determination has been made and says that if you disagree with that determination. I have a proposed lease and an old lease, so we can compare them.

Waters: Starting from the beginning. This is our first rental unit, and we were expecting a little bit different. From the beginning things haven't been as we're told, and as it has been written down in our lease. We're told that community/share areas were going to be maintained by their maintenance team, and that snow removal more than 2 inches will be taken care of by their maintenance. There are are also specific

terms of the lease that cover when other tenants knowingly put us in actual danger. There was very limited response until we kind of got a little bit more aggressive. I don't want to have to deal with lawyers. I just want to be safe at the one place I am supposed to feel safe. There was a dog that was downstairs and it attacked her [Bailey Miracle] nipping the back of her leg.

Moermond: What did you do in that circumstance. Did you make any calls or complaints?

Miracle: We have called the police a few times because that's not the only kind of bad thing the dog did. The owner of the dog was a lady in a wheelchair, and this dog is very aggressive. He is cooped up in that unit and whenever they would let him out, he would just attack anybody down the street. He would run-up at our car and scratch our car window. We couldn't get out of our own car; and would be stuck in our car until the lady would bring her dog back in. It's been snowy and they didn't keep up with all snow removal. We've had to run away from the dog in the snow. It got icy, to the point where we have hurt ourselves. The cops said that they can't do anything about it because the landlord wasn't there, and that he had to be present. We called the cops twice because then it started getting really bad. The people downstairs knew we didn't like their dog and we started having issues with them. They were kind of nasty people. They finally left, and we complained a lot to the Housing Hub people about the nasty things that they would do to us and how they would retaliate by sending their dog on us and they wouldn't call him back. The lady was kind of evil.

Moermond: Do you have this person's name?

Waters: We only remember her first time. I think her name was Gwyn.

Moermond: Did you make a police report?

Waters: We called they didn't seem to do anything. It was a woman officer and a male officer that showed up and basically said, I don't really know what you want me to do. There's no blood, it was bruised, so there's not really anything we can do about it. You can complain to your landlord.

Moermond: The reason I'm coming back on that is because I don't think that was good. I personally think the right response is to say, let's get Animal Control involved. If a dog has bitten somebody, that needs to be investigated. I'm kind of disappointed in the lack of more information but I just wanted to say to you that there is a process for dealing with that. This is not necessarily a situation where the landlord needs to make that call. So, this is happening with the dog downstairs it was some kind of a service dog for a woman in the wheelchair?

Waters: We should not have to deal with this because Housing Hub recognizes that certain breeds of dogs shouldn't be in their properties due to the aggressive nature. In the lease it stated that type of dog specifically should not even be on the property. We brought that to their attention and our response was that the dog had been grandfathered in from a previous tenant. But it's still a lease violation and so is all the poop in the lawn and not being on a leash. It got to the point where it felt like we were banging our head against the wall because, who do you call? We call the office, and we have a recording of them saying we have numerous letters actually in the past about this dog. I don't know why they weren't followed up on. They have the knowledge; they have letters and complains about the dog before and the dog was still there, and we got attacked by it and traumatized. That's just within the first 3 months we moved in.

Moermond: When did you move in?

Waters: It was I believe it was on July 1st of 2021 would have been our initial move in date.

Moermond: Did that tenant live there at the time you moved in?

Waters: Yes.

Moermond: That's a long-term of thing you're struggling with.

Waters: Yes. We have been given notice about the dog and I don't believe the tenants downstairs had left. It was probably about 7 months or more than that. I understand eviction is a process and it takes a long time but if the violations were there before, and there was that many of them, I don't think we should have been put in that predicament in the first place. Secondly, there was a vehicle that was parked in a driveway when we first moved in. We had asked the tenants initially is this your vehicle. How are we going to work out the parking situation? They said, oh no it's not their vehicle they don't know whose it is. We ended up calling Housing Hub to see if they could have it towed, and they said that we need to call the police. Anyway, we had to call the police for it, and they ran the license plate on the car, and found out that it's a car that had been recently doing some type of criminal activity. I don't want that there, you know? All during this time there is a wasp infestation in the window that's above that truck and they're coming in. They stung me, her [Bailey Miracle], and they also stung my cat numerous times. We had to live with those wasps for those 3 weeks, and that truck was still there because we kept putting in requests about it. We kept saying, can you please kill this wasp nest, or can you seal the windows because they keep getting in. They had known from moving date that the windows were not sealed, and they said they were not going to do anything about that but that's a different point. These wasps are still getting in and they're sending a maintenance guy out and getting frustrated that he can't do anything about it because the truck still there. He's frustrated that he can't do anything about it. We are still having to deal with the wasps for this entire 3 weeks. I understand you're supposed to get a certain my notice to get a vehicle towed, but I'm pretty sure it's not 3 weeks. They actually never came and eliminated There's no snow removal or ice removal at all. When you walk out there, and they let the dog out you're just running on ice. We were scared for our life and even talking about I'm shaking. It really brings out traumatizing memories.

Miracle: We missed out on a lot of work because of that dog. We would look out the window and see if he's out because that lady would leave him out for a very long time. He wasn't on a leash or anything he was just pooping in the yard or the neighbor's yard. We would look out the window to see if we can make an escape to our car because I had to go to work in the morning and I couldn't even start a new job at that point. It didn't work out because I couldn't make it to work because there's literally a killer dog outside. He would come up to our unit door and sniff under the door and scratch it and growl because he could smell my cat. A lot of the times we would want to get food delivered to our house and we couldn't go down to the front door to get our food, so our food just sat there, and we just paid money for no reason for that food. I started doing grocery delivery services so I can make my own schedule specifically for that reason because I can't be on time to go to work during that specific time because he was out there. I never knew when he would be out or not which it made it really impossible to work.

Waters: People shouldn't have to go through this. Also, about that truck situation we had let Housing Hub know about it. They asked if we could take a picture knowing we

already had issues with the tenants downstairs. They asked if we can please take a picture of the truck so they can know what it looked like. They take the picture that we clearly sent from our upstairs to us in a mass email asking if you know whose truck this is and that it needs to be moved the next day. Next day we come out and our tires have been popped. I wonder why? Maybe from retaliation. We expressed this to the office, and they said that they didn't have anything to do with that and if you have any evidence to file a police report. No, I don't have evidence of these people popping my tire at 3 in the morning while I am asleep, but I know that they did it. There's black mold all over the ceiling. I just can't begin to start naming a list of problems the basement flooded completely. We're told we can't use our bathtub because it floods in the downstairs unit. Where in my lease does it say I can't take a bath? I think that's up to you to be fixing that.

Miracle: There is no ventilation in the bathroom so, it's really steamy and everything is just dripping in the bathroom, and the towels are damp. We are told that there's no ventilation in the house and that it's hot and moist and that no air circulates anywhere. Their response was to just open the window. It was wintertime and also the windows are literally like hip level, well the one of the bathroom is, so if I'm showering and the window is at hip level you can see stuff.

Waters: You should have privacy in your own bathroom, and not to mention because there's no ventilation, so there's mold because if there's going to be heat there is going to be moisture, and there is going to be darkness, and that's where mold loves to be. All they do is cover it. The house itself, the floors are caving, and it is probably due to the moisture, and there are also splinters. We can't even walk in our house without sandals on because we're going to get splinters and our cat also gets splinters. We have to pull splinters out of her feet weekly from that. We've ended up just keeping our cat in her own room so that that doesn't happen anymore. But that's not something that we should be having to do. I shouldn't be making all these compromises at all. The most recent was the attic, and our original lease we were allowed to store in the attic and basement. I don't know when that changed. When we moved in, the tenants that we're downstairs they didn't have their things in the basement because the condition of the attic and the basement were both terrible, and everything was open to the outside. This house is not sealed from the outside and so there have been, ants, wasp, roaches, mice, and even a rat. We can't get our (AC) unit to get below 80 degrees right now because the circuitry is bad in the house. Also, it will not allow to have more than one AC unit running at once. You can't plug in a vacuum and have the AC on at the same time. If I want to clean my house, I have to do it at a 90-degree heat or have the TV on. Things must be turned off. Combined with the fact that I'm only allowed to have one AC running and the houses isn't sealed it, it's hot, it's miserable. It's literally unlivable, our food that is in our pantry goes bad within a day or two. All our produce and fruit get rotten because it's so hot. Last year on October 16th, I believe it is the date by law that the heat has to be able to be accessed by the tenants and it has to be on, and they didn't do it. They're the ones who sent out the email saying, that by law we must have it on by this date and didn't even do it until 2 days later. At that point, you're just breaking the law. We are being disrespected at this point and traumatized to be honest with you. I haven't seen a single person from Housing Hub except for the maintenance man since we moved. Their office has been closed the entire time due to COVID which okay I get it but if the doctors' offices are open and masks are optional don't even use that as an excuse anymore. You're not doing your job and you just don't want people to have access to that because every time I call, I never get a call back even though they say they're going to. Recently, we were trying to renew our lease and a man name Steve sent us a link. I said, hey it's not working can you give me a call so we can figure this out, didn't call back. I leave a voicemail instead we got a text back. You don't get a call back from these people, but you'll get a text. It's like dealing with the high school

lunchroom. I'm an adult that wants to get this problem solved. I can't do it whenever you feel like texting me, answer the phone, and get this problem solved. Still to this day we had to mail in a copy of the lease, and they said don't worry about it we got this and that it's fine. I have that text right here and then they just sent us another one through the portal saying they didn't get it. This is the most recent things, which feels like everything we do involving them is 10 steps long. I don't know why they think that they should have any sort of increase because of housing services that they're providing. They're not providing the ones that by law they should be providing and not only is this illegal and they're practices are wrong. I'm traumatized when these people walk in the room because what they represent to me and what I've gone through living at this address. The response that I get, it's one thing, and if I go through that I get things happen and that the world is not a great place, properties get old, things happen. If you want to work with me on it, and you want to treat me with some respect. I have rights, I have tenant rights, you disregard those, you disregard my concerns, and you disregard my safety, and you disregard the things that you say in the lease that you're supposed to be keeping up with. At this point, I'm not sure what they're doing.

Moermond: We talked about a list of concerns. Some of them are what I would categorize as being behavioral, and some are physical building condition related. I'm going to follow-up in particular on the second category there, the physical condition. I'm going to go back to the wasp nest and just try to figure out what the location of that nest was relative to the truck and the rest of the property. I'm a little bit confused about that.

Waters: I can use this piece of paper just as an example. The front of the house would be facing the street, which is here, and our driveway runs along the side of the house. We are on the upper unit, and we have a window right here on the side of the house right above the driveway. The truck had been pulled in kind of far, so it was directly under that window.

Moermond: Was that wasp nest under truck or was it in the truck?

Miracle: It was in the window of the house.

Moermond: It was in the window of the house. A lower unit had a wasp nest, and it was being blocked by the truck so it couldn't be dealt with?

Waters: It was on the outside of the house right above where it splits from the window downstairs to where it starts becoming upstairs. It's kind of the top, not exactly the window, but what comes out to go over across the window. They had found a little hole in there and had gone in there and somehow made it inside the walls and they were finding ways to come out into our living rooms, through vents through cracks in the window could have been holes from the floor or trim from the floor, and we could hear them.

Miracle: We collected them and pretty much filled up a whole mason jar full of bees.

Waters: There is a picture somewhere of them. We had to use the spray, and we couldn't do much about it. We had to kill them every day when we got in there and they just kept flying in. We had to basically barricade ourselves in our bedroom until winter. Then the problem just took care of itself. Mother Nature took care of the problem, Housing Hub did not.

Moermond: You talked about other kinds of infestations that have been problematic in addition to the wasp. You want to tell me a little bit more about that, for example, the

timing, the nature what steps did you take. You know, just a little bit more because you kind of went through the list of all the different kinds of infestations that one might experience outside. I did not hear bedbugs, but I heard pretty much everything else. Tell me a little bit more about what you mean.

Waters: Absolutely, well we tend to have all sorts of critters especially around the back door because it's not sealed to the outside so, anything just crawls in there. But the things that we have the biggest problems with are centipedes, and mice which are a huge issue. We let them know that we had found rodent droppings towards the end of the first year of living there. We have notified them about that and they said they'd have pest control come out and deal with it. We brought our cat out for the day came back didn't smell anything or see anything. We clean later that week, and we look behind the fridge. They had those little Terro traps for ants, and I am really not sure how that's supposed to catch a mouse. That may not necessarily be the contractors or Housing Hub's fault but maybe the communication of what the issue was. We still have mice there and they are getting into our food all the time, our clothes all the time, and they're just literally everywhere. We've gone up into the attic because it got kind of hot, and I think that's where everything is coming in because there's just baseball sized holes to the outside. There's about this much of a gap between my door outside of my unit and the attic right there, and if you follow the stairs down to the front door, same gap to the outside. The whole world can just come into our unit none of it is sealed. I know that there are squirrels in the attic. They said that they were going to hire some contractor to come and take care of that. They said that they will be here on a Friday to do the estimates, but I was there on a Friday, and nobody showed up. I tried to contact their office and ask them about it, and they said, oh no they are there. They told the Fire Inspector that he was coming, so I'd like to see if that's legitimate as well. If it's not, then the animals are going to just be continuing to come in. I don't care if I can't use the attic, but I don't want water getting in into my ceiling, and I don't want animals getting in. What if my cat gets rabies or we get bit or we have an infestation. I mean, mice poop can carry a lot of diseases.

Miracle: Whenever they try taking care of the rodent droppings, they put all these little poison traps everywhere. I have a cat and I am afraid that my cat will eat those poison traps. I wasn't even aware that that's how they will be getting rid of the mice with little poison traps. If I would have known, I probably wouldn't have called them and thought of a different solution because my cat could eat those poisons. They have poor solutions for everything when they want to. When we have an issue like our shower goes on a slant, and the curtain does not cover it only the square, but the whole slant triangle is completely open, and water is just everywhere. There's a lot of mold in our bathroom because of that reason. We had a maintenance man named Andy who came to help us with that situation. All he did was he just laid the shower curtain rod and said that we could rig it somehow into some weird way. I don't understand what he was trying to do but he left the project and just left the shower curtain rod right there on the floor. We had a few issues with that particular maintenance man. He was just a little mean, like kind of stern. My wife was taking a shower one day and he supposed to be gone on his break but he was supposed to be coming back eventually to fix our door that was unsealed clearly with gaps all around it. It's our back door and I told him my wife is showering right now, I know you're coming, but can you wait? He was persistent that it was going to be quick and pushes my door and starts walking to the kitchen to the door that needs to be fix. The shower and the bathroom are right in that kitchen area. I had to just grab some clothes out of the dresser and just throw it in there for her. It was just weird and awkward.

Waters: The doors in the house none of them stay shut. That was the other problem,

the bathroom door wasn't even shutting because it can't shut. We've had incidences where they were supposed to give us a reasonable time of notice before them coming in. We had another issue the other day where she was in the shower, it seems to always happen lowering shower. They message us saying he's going to come by today. We responded with today it will be fine let me know when he's coming by because my wife is in the shower. She replied saying he's there outside. I was like OK; well, she's going to finish up her shower. I don't know who was in office that week, but every single person we talked to has the same attitude. I don't know what it is. I told her to give us 5 minutes and she said whatever. My wife said that she would hurry up because she just didn't want to deal with the situation anymore, and we wanted to be present because in the past they have damaged our things while we're gone. We said if he can come in 5 minutes, and apparently now he's going to take his lunch and he's not going to comeback that day. It's like they play these little games when they do something right when it's a good time and available for them. Well, you didn't give me any notice. I don't know what you want me to do, and not to mention they turn the water off when they had the renovations downstairs happening. They didn't let us know in the middle of rush hour before school and work. There's no communication before the thing, and there is rarely communication after the thing. There's only communication if we open that up and it's because there's an issue. I would love to never have to call their office about anything ever. Again, that would be my dream come true. That just everything goes the way that it's supposed to go. I mean, shouldn't that be expected, right? Other than like certain things happen all you know the sinks are not draining or this or that. It shouldn't be like wildlife migrating into my house because it's not sealed. There's a bunch of black mold on the ceiling of the bathroom. There's all this stuff going on. Even the stairs in the back are about to collapse. I am just counting and waiting for the day that I fall through the hazard.

Miracle: I had a situation with my kidneys, which I was in the hospital for a while. I even missed my birthday because I was in the hospital. They finally let me go home, and I was home for about 3 days and started feeling really sick again. She called the paramedics and they had to come and pick me up. The paramedics are part of the Fire Department, and they had no idea how to get me down or up this house. I couldn't move, I was in a lot of pain because I've had surgeries and stuff done. They had a hard time getting me down the stairs and were trying to move to see what was stable enough. They commented how all the stairs were hazardous.

Waters: Yeah, they were nervous. It's just been too much. I don't see how they can justify an increase, I really don't. I understand with inflation, operating cost, and everything else that goes up. It goes up for everybody. We can't even feed ourselves. If you did what you're supposed to do, and you've been doing it the whole time we wouldn't be sitting here. If you did your job, I have respect for that.

Miracle: When they do their job, they do it in a mean way, like nonprofessional. It's as if they were mad at you that you even called. We were not trusting maintenance to come to our house anymore without a notice specifically in our unit because we had a situation where a maintenance man said, hey, I'm coming to your house, are you going to be there? We're like yeah, we are literally 2 minutes down the road, but yes, we'll be there. I'm thinking that he probably won't go into the unit because we said we will be there in 2 minutes, but he did. Since we don't put our stuff in the storage area in the house because the storage areas are very poor and leak. We take care of our stuff, and we have them all in tubs and in stacks. Our living room is almost unusable to be lounging in because all our storage is in our living room. He came in and he need to see the thermostat. I don't know why he had to move my stuff because he could have just gone over them, but he didn't. He just pulled my tubs out and all of my stuff fell on the floor. My guitar was all broken and had chips all over it. My bow and arrow that my dad gave me for my birthday was on the floor. I had a collection of

colorful clear jars, and they were on the floor, too. I couldn't believe that it looked like we got robbed that day. That cuts why we just don't want them coming to our house anymore without us being present. Every time they do have a maintenance thing, it's like we're going to come anyway, even if you're not there. We're just trying to get there as fast as we can back home. I could have just been out and working on a grocery order, but I had to leave that order. This place makes it almost impossible for me to even work a regular job. I don't want to be working this grocery job anymore. I'm not making much income because of COVID. It's not a service anymore that people need because they can go to grocery stores.

Moermond: I'm going to bring us back for a minute. You had mentioned the black mold and explained this is in the bathroom and it's because a ventilation issue for you, and you mentioned splinters. Can you elaborate a little bit about where those splinters are coming from and just what's going on with that?

Waters: Sure. The floors in the unit are very uneven, and they are kind of starting to cave in, especially in the living room area. I don't know what kind of trim they have but it seems like they have metal trim on wood flooring, so that's probably one of the issues there. It's caving in and a spot right by the trim where there is a step off on to the tile floor down there. It started to cave in which has made the wood split all the way down and along those panels. It's the only walkway in the house, and it's the only place to walk, you can't avoid walking on it and because there's that step down. It's gaining weight up and it decided to be the place to cave, and all the wood connected is kind of parallel a split a long that wood. We have our shower on and you can feel the moist in the whole house for hours afterwards, it's like a rainforest. I'm assuming, that some of that moisture lifted that wood and because of that there are splinters. The floors are waiting to fall through.

Miracle: You can see that the woods are not even level with that metal trim that they laid in front of it. The wood is completely going under it. It's very uneven and that walkway is the living room just area. It's kind of confusing, but it is a living room as well. You can't even shuffle your feet, run or anything because you will automatically get a splinter. Even chunks of the wood floor come off, and then they're just laying all over the place and just making my floor dirty. There is wood everywhere to the point where I feel like I am at Menards.

Moermond: The air conditioner unit, I take it we're looking at a window air conditioner. Is that provided by them?

Waters: No.

Moermond: That's your own?

Waters: Yes.

Moermond: I have a lot of notes. Is there something we didn't talk about? Otherwise, I'm going to offer staff, an opportunity to ask questions. After that, I'll turn it over to ownership, representation.

Ferkinhoff: I don't have questions.

Moermond: Mr. Sass?

Sass: I do not.

Moermond: All right, are there any other things you want to say before we switch

gears for a few minutes?

Waters: I just want to touch base again on the circuit of the house. We did have the maintenance come out and said basically, it's an old house and there is basically not much they can do about it and not to have stuff on at the same time. But if you look at the fuse in the bottom, you can see that one is for this room and one is for the other, and then they have an entire side of the house wired to another fuse. We're always having to go down there. Sometimes we have the regular things plugged in that we've learned to keep plugged in and will just be sitting there trying to just enjoy a meal and the lights go off, and down to the basement again we go. It's to the point now where the circuit is bad that we go to flip a light switch and the light doesn't come on. We have to sit there and wrench with the light switch just to get the lights on in our kitchen or bathroom, and in the fridge room, kind of the room that the fridge in the pantry is located in by the back door.

Moermond: Thank you for your comments. Mr. Collins, I see you and you have a gentleman with you who's name I might have heard before, but I cannot remember.

Herding: Ben Herding

Moermond: You heard a lot there and I was kind dividing some of the behavioral kinds of things from the physical conditions. What comments do you have based on what you're hearing?

Collins: There's a lot to unpack there. You can see why being a landlord may be tough. Just on the behavioral stuff this was during COVID there were no evictions. It was a handicap TSA dog that had years of service time.

Moermond: Was it a service dog?

Collins: Yeah. You won't win in court with that one. We worked with her, and her medical helper, and medical worker.

Herding: I mean, her roommate, also passed away.

Moermond: Okay, so the person downstairs with her dog had a roommate that passed away, just so we are in the same page.

Collins: Yes. I mean, we heard all their concerns. Two people living in the same space can be challenging. I tell people at all times that trying to get neighbors to like each other who aren't even living in the unit, other properties on the block, city, state, whenever it's hard to balance and make everybody happy. But as soon as we could, we did move her along. It just goes to show that we don't want to throw people on the street. This is a handicapped woman. She may have had some mental issues, but we're not just going to throw people on the street. We're going to work with them and try to move them as dignified as we can. I think we did that. She did have a balance of \$7,000 when she left, and we would love to recoup that. But it's kind of one of those things that it's a community thing. I mean, we're going to work with the community and we're going to try to do the best we can for all. Sometimes you can't make everybody happy. Some of the statements that we never came out, that's false. We have records of that we always came out a lot of times and we came out and they sent us away. We would say we're coming on Tuesday, and they would reply we can't do that. Pest control was pushed away, and we can't just tow cars because then I'm getting sued and I will be paying to get it out of the impound lot. We have to be careful when we're towing, and why we are towing. I think we did the right thing there. We finally got it moved and we worked with both tenants to get that done and defuse

that situation.

Moermond: Can I circle back on the vehicle. Did the vehicle belong to anybody associated with the building?

Collins: She was a helper of the handicapped woman.

Moermond: That person just left their vehicle there?

Collins: I think she was just parking there. I don't think she just left it there, I think she's moving in and out and they didn't like that it was there. It shouldn't be there since it wasn't registered to her. To tow someone's vehicle that's helping a handicapped woman it's pretty much not something I want to do, we've got to be careful. Fire and Safety was just out, and we passed in 2020 with a B that's a pretty good grade for a duplex. They did call Fire and Safety again once the lease renewal came out. I don't know if that was just a tiny issue, but all of a sudden Fire and Safety comes out which that's fine, we welcome them, we want to make sure our tenants are safe. They wrote us up on some issues in the attic and none of the other issues were addressed in the write up that we heard.

Moermond: I am going to circle back on that in just a second. I heard from staff that this is a triplex, not a duplex.

Herding: It is a duplex. I think that they would give a couple properties on Conway that the addresses make it seem odd the way it's laid out, but this building is a duplex.

Moermond: Okay, the Fire and Safety Inspection document attached to the record is for a complaint-based inspection. Inspectors would investigate that complaint, but not conduct the full Certificate of Inspection of Occupancy of the building. Your inspector previously gave the property a B grade.

Collins: One of the reasons it's not completed yet is because Fire and Safety comes out and they catch other things that weren't in the complaint. The chimney is written up and will cost \$4,500. What other issues, pest control, it's pretty much stated clearly in the pet addendum how we treat mice. We can put sticky traps out, but we will be running around all day just retrieving sticky traps. Once a mouse goes in a sticky trap a tenant calls us to come and get the sticky trap because there is a mouse on it. Best way to get rid of mice is poison and kill all the critters. That's what our outside vendors do, and it's clearly stated in the pet addendum.

Moermond: Can you just refresh my memory, is sending out pest control something that you have on a schedule or is that done on a tenant complaint basis?

Collins: Good question, anything 3-units and above we do on a schedule. We have day traps outside anything smaller than that it's if we get in the complaint and we go out and treat. Most properties that have pets, whether it's cats or not, whether they are good mice catchers or not, with food source on the floor you will see mice.

Moermond: Other comments based on what you heard?

Collins: Yeah, one about the documentation. It may seem like there's a concern about avoidance of phone calls. But for both parties, something I stress to our staff is to get documentation through text message or emails so that there's not a "he said, she said" back and forth. Really, that is to just document that process for our records for them and for us to show where we can come back and see what really transpired,

instead of saying, well they said this on the phone and now they're saying this. A lot of that reason isn't any sort of avoidance, more really of a protocol with our office and to make sure everything is properly documented.

Moermond: Okay, so if somebody is reaching out to your office, they could get someone on the phone at least during regular business hours?

Herding: Absolutely, and even after hours if you call our number it goes to our after-hours on-call service to be able to put in maintenance requests which are dispatched to our on-call maintenance staff. Joe or I are monitoring those calls, and we even have a handful of people that are monitoring even after call weekend service, too.

Collins: It's something that's necessary. We have over 5 thousand tenants, so we document everything. A lot of that they said we hear in bits and pieces but there is documentation and always follow up on what we're doing. I was confused hearing that we never showed up, when we showed up a lot.

Moermond: Lets focus on the times where there was maybe a little bit of communication difficulty between the maintenance person showing up unexpectedly on a couple of occasions, says the tenants, and the notice issue. What's going on with that?

Collins: Yeah, I think we have one in there.

Herding: It was a few instances of text messages that unit two is refusing service today, so will reschedule some time. This was for our pest control vendor, so we had to let them know that unit two was refusing service and will contact them to reschedule. We also needed to cancel maintenance because of what she was claiming on the tenant about a tire popping. Looking back to see when the tenant roommate in unit one passed away, and that the tenant in the other unit was in a wheelchair, that would be a lot of effort on their part.

Moermond: But you said that the vehicle, the truck, belonged what sounds like, her service worker.

Collins: We gave notice, and we also do tell tenants every month that submitting a maintenance request is allowing us entry because of the nature of that. They are giving us that permission to go in if it's granted to or text to reach out.

Moermond: What are the parameters around that?

Collins: I'm sorry, what do you mean?

Moermond: You're saying making that request is granting approval to enter the unit. What are the parameters around entering that unit? It certainly isn't that you can come by whenever you want. Tell me what the rules are that your business uses.

Collins: You get an automatic response saying, hey we received your work order someone will be dispatch shortly. If you have a water issue, fire, or flood if it's immediate. It is coming same day. But anything that's regularly dispatched, the worker picks up the phone leaving their last job, and tells the tenant, they are 30 minutes away. There is a time window, and we usually are running at next day service. We give tenants at least 30 minutes to an hour.

Moermond: What happens if on a Tuesday evening I notice that the sink is leaking, and I text you letting you know. How do you balance the 24-hour notice vs. the most efficient response. It must be that if you have a tech available at 8am the next day somebody at the residence could be getting ready to run out to work.

Collins: There's an online person that pings on a call. We also have a backup dispatcher that works from home. She covers from 5 o'clock till midnight, and she watches anything that comes through and then it will be flagged. If it's something that's an emergency, she'll contact the tenant. Is this something that can be controlled? If you can't, we're going to send somebody out tonight. Is that fine or can it be controlled? Yes, it can, okay, somebody will be there tomorrow at 8 in the morning. That's how we can track that down.

Herding: It's very normal business hours for a maintenance technician because that's when they work, except, for our on-call maintenance technician who's answering the phone. It's costly to the owner to send out maintenance after hours, so we do reach out just to make sure that it is warranted. If it is between those hours, I would even say probably closer to 9 a.m. to 5 p.m. are those normal business hours. We have tenants who submit work orders but then say they refuse entry, and that kind of contradicts a request for help so we seek for clarity on that, unless it's a common area where the outside of the building. It's hard for our technicians to give exact time. We try not to set those expectations or allow appointments because of the amount of work that is being juggled, but they do try to reach out when they're on their way.

Collins: They can deny entry, and we have that a lot where today is not going to work can you guys come tomorrow afternoon? That is in the technician's radar, and they know it. When you start giving those times like we're going to be there between 9 or 11, and you don't show up and no one stays at home. It's a nightmare.

Moermond: I heard the bathtub wasn't allowed to be used, what do you have in your records on that?

Collins: Did you see anything in there? And I did not.

Herding: I mean, there's a work order. This is a recent one from February that there's no water in the toilet and the shower. It could have been something that it wasn't able to be used while it was being fixed. But that's all I see about the toilet and shower.

Moermond: Any other comment?

Collins: Well, just for clarification, the tenant down below, the last time she was in there, I believe it was March of 2022, and she might have been gone by that time. This was about a year.

Herding: That unit was vacant up until very recently. The tenant was evicted and had been gone for well over a year.

Collins: They did sign the lease after that incident.

Moermond: Would you be willing to provide the documentation on the pest control services for this particular property?

Collins: Yeah, we could submit that.

Moermond: What do you do when you have situations like this dog? Certainly, it isn't the first problematic dog you've encountered. I heard it was unleashed and poop in

the yard wasn't picked up. It seems like that's a big issue. I know that it's ultimately the tenant's responsibility to manage, if they're allowed to have a pet but the addendum does have some expectations about pets are managed. It sounds like this situation is inconsistent with what that addendum describes. When there's a problem do you provide tie outs for the dog? For example, I let the dog out to use the facilities that are the outside, but you hear the problem, how do you handle that? Because it is a tenant issues and it's also a management issue. Tell me more about what your practice is for this.

Collins: Believe it or not, we don't see it a ton of these. But in this case, we did need that a police report. I mean, it's always good to have a police report, especially in the COVID days. If you wanted to evict you had to show that the tenant was dangerous or a friend, family member or pet was dangerous to others. That was an important part of getting an eviction. Those were very costly, which is something we would have done but without that police report we don't have anything to go to court with. It can become a "he said, she said." We need to be pretty bulletproof, if we're going to evict somebody from their home over a behavioral issue. We need documentation, fines levied, before just asking to remove your pet or just threatening eviction. Sometimes that is good enough but in this situation trying to move remove a tenant that is handicap with a service dog we thought the best route would be a police report.

Moermond: So, did you initiate any kind of investigation as the property owner without the police report?

Collins: Yes, but we never saw the dog running just wild. We have probably 15- 20 tenants on that block and no one else was complaining about a dog loose running around. I think a lot of the problem was between the 2 tenants and how that kind ended up playing out.

Moermond: I'm a dog owner with a fenced yard. My yard wasn't fence when I moved in and I had to use tie outs until it was. I would have to say that without putting a point on where the dog poops it gives you an idea of where the dog gets to go. If it's wintertime and I'm wondering, would you look for something like that? You know if the dogs being reported as being kind at large.

Collins: I think she did have somebody come over and help out. Of course, when the snow melts, we see the pile. We have pet owners who are not responsible and that's addressed through a fine or the threat of eviction. It was just a unique situation over there. We have text messages that say if you don't take care of this dog, I'm going to shoot it and I'm going to shoot her. When you get those text messages, there's not a lot of cordial conversation you can have with the tenant.

Herding: A note from Lynn calling in that they are making threats that they will shoot the dog. It's a note from our customer tenant coordinator talking to the lower unit.

Moermond: She said, she said rule would apply to that as well.

Collins: Exactly.

Moermond: And your investigation would be? Did you talk to the lower unit tenant about their dog?

Herding: Yeah, so there's a lot of requests to talk to the tenant. I need to ask why the dog is not on a leash, why is the dog poop not been cleaned up. We have been talking to Lynn about the lease violations for those pets. Part of that pet addendum

has been documented on here, too. Again, you've got to remember that November of 2021 our hands were tied in our abilities to make certain moves above just that constant requesting and checking up on and working with that tenant. But I do see documentation requested and a follow-up.

Moermond: Last question for you all, one of the things that is listed as a reason for you seeking an increase above the exception to the 3% cap is an increase to the housing services. What would that be?

Collins: Did we even include that?

Herding: It was one of the checked boxes. Usually, that is maintenance and upkeep and even management fees.

Moermond: Isn't that something that's included in operating expenses and not in housing services? I'm looking to staff here.

Sass: Housing services are services provided by the landlord. Let's say that under the previous ownership, there was not landscaping offered but with this new ownership there is landscaping offered. That could be increased housing services.

Moermond: Thinking about it that way, a new service that is being provided not an increase in costs that would be captured in the maintenance and operating.

Herding: Yes, there's a line here for landscaping, and it looks like 2019 there is not. They did about \$2,000 in work in 2022, specifically in landscaping.

Moermond: A part of it is the \$2,000 increase in landscaping, where are you getting that number from?

Herding: It's from the accounting from the owner from that general ledger. The profit and loss statement that was reviewed and filled out for the operating expenses before coming here.

Moermond: What kind of a new service would it be on top of what's already accounted for an increase in expenses. Because there's also an increase for a particular unit that would be taken into account as capital expenses that are amortized. There's a place for to be documented within the forms. I'm not familiar with the place in the forms were like specific housing services would be asked for and written out. Is that something that's asked, like if you have an increase in housing services, is that a specific question?

Sass: There is a spot to define what type of services are offered by the landlord in the MNOI, the copy with the full financial information doesn't include that page. It is not one of the earlier ones which I can find in the forms.

Moermond: So, you may have that information?

Sass: I give me a second to look

Moermond: That was pretty much what I was wanting to ask you more about. Do you have comments about the splinters?

Collins: Do you have any? I don't have any.

Herding: I have to look back and see the worker order information, but I have not

gotten through every work order in front of me.

Moermond: How do you handle if that were to come forward as a complaint? Let's say you get a text saying that this location in the property, the wood floors are splintering and it's problematic.

Collins: We send out a tech and take pictures. Is it an easy fix? Is it something that we would have to cut the wood floor and replaced the boards that are splintering. We've done that and we will do that, but nothing rings a bell of getting any of that. My question goes back to when they had Safety and Inspection out, which I like that because they can write it all up, tell me what I have to do, and tell me if you think it's an issue. The last time Safety and Inspection came out, all of their attention was on that attic.

Harding: I guess it's all costs related unless you're talking about additional services and those have not changed. But obviously those costs continue to go along with everything else under operating expenses. Even this property too for the current year operating at a deficit for the year 2022. It obviously plays a factor into the request for operating costs.

Moermond: Due to vacancy?

Herding: We talked about that earlier. The vacancy and eviction that took place and repairs related to that unit, meaning that unit and now the attic. It will be at lease a \$5,000 hit.

Moermond: All right.

Collins: I will make an offer. It seems like this place is falling apart and is in great disrepair, so I would offer a no notice if they want to vacate. I won't hold them for the 60-day notice.

Waters: How much time would we have to get our stuff out.

Collins: As long as you want. If you need another month that's okay by me.

Moermond: July 30th you mean.

Collins: If you need the end of July that's fine, or if you need the end of this month that's fine. Whatever. I don't want you living in something that you guys don't want to live in.

Moermond: I had some landlords say 0% increase. I hear your story, I am going to work with you, and we will work on the just cause vacancy later. I've heard other kinds of arrangements and what I say to this whole conversation is that's between you guys, and however, you manage your business among you all that's a private contract between you all. It won't affect how I treat this particular situation and whether or not the unit is vacated I'm going to move forward with writing up a recommendation for the council on this appeal, so unless the appeal is withdrawn or unless you withdraw your request for an exception to the rent cap. In which case my letter to the council will be relatively short. All right, are you amending your application to remove a portion of it that says you're increasing costs related to an increase in housing services? Or is that something that just happened here?

Herding: It can if that makes sense. If it was an unclear definition of what we thought housing services was to that scope.

Moermond: Well, I'm not going to say that it is it, that's your call. I'm just asking as it seemed to be coming up in conversation. You can keep it in the application, or we could verbally amend it right now. It doesn't matter to me. I just wanted to kind of say that.

Herding: It is not going to move the needle any more then beyond 2. If it works to keep it simple then you can definitely take that off.

Moermond: All right, thank you. I will ask for any last comments from the tenants, and we can wrap up our meeting. All right, Ms. Miracle, Ms. Waters, you get the opportunity to have the last word. What would you like to say?

Waters: It's not that we refuse them coming in, it's the fact that we put out these maintenance requests and they came, and they did some stuff but not all. Some of them were canceled out by them, and I know there's no way to have any proof of that, however, we did make phone calls. When you're just hoping that everyone does their job, and you're not thinking the whole time I should be documenting everything that I'm doing, so that if something does go wrong. We're lucky that we did have some of the pictures and some of the things that we did have. However, as far as the dog that was downstairs, emotional support animal, I'm pretty sure nowadays you can just go online and you can buy a certificate for a certain amount of money and call anything emotional service animal, and that dog was a close to 100-pound pit bull. I have a video on my phone right now of a gentleman, doesn't live in my house, running down the street away from this dog, as he's biting his ankles and then coming back with his truck, and shooting snow, all in the front of the house because he got attacked. Either way, there's 15 other people that live in that live in that block that are tenants with Housing Hub. How are they going to know that the tenant in the bottom of our unit is with Housing Hub, and that they could call Housing Hub for that dog? That statement did not make no sense to me, like here is a bunch of other people from Housing Hub living on this block. Why haven't they called to report this dog? How would they know that that dog belongs to a tenant of yours? I know there's houses on the block, and I couldn't begin to tell you which ones belong to Housing Hub, so how would they. Some of these justifications that I signed a lease after this? Yes, I signed the lease because unfortunately, I have an eviction on my record because my uncle became the inheritor of my grandparent's estate, and I was living in their home. He ended up evicting me from that property so that he could gain the monetary value from that property quicker. That's why I have an eviction on my record, not because I was a bad tenant but because from family. The reason that we have to continue to sign this lease is because we appreciated in the beginning how Housing Hub gave me this opportunity even though I have a criminal record, and an eviction on my record. But they allowed me the opportunity to tell them what happened in the beginning, and they listen with open ears and said, hey you know what things happen and we're willing to give people a chance. I do agree with the statement he made as far as like they try to work with people because I experienced that too in the very beginning, which is why this whole other part process is so shocking. I understand that when you're in charge of running a company it's hard to manage every single employee. I understand some behavioral things may just be how some people act, I understand that. Either way at the end of the day, I'm not signing that lease again because it's a beautiful property. I am kind of stuck to be honest with you, and not to mention about the loss of wages because when you are trying to go out and that dog is there, and it's not being leash it's hard to go. I did call the police and it's on the police that they didn't make their report. It seems to me what happens a lot is I've been raised to be told, okay if an emergency happens to you call the police, or you call the person in charge and you tell them what's going on, and they will help you in doing the next right thing. I've yet to experience that in the City of

Saint Paul, and that's very unfortunate.

Moermond: Question, did the eviction on your record did that happen in Ramsey County?

Waters: No, it did not.

Moermond: Did that happen in Minnesota?

Waters: Yes, it did.

Moermond: Do you think that your income-qualified to work with legal aid?

Waters: Possibly? I'm under Supplemental Security Income at the moment and I don't have a job.

Moermond: The reason I bring this up is because they do work with people to have evictions expunged from the record. That is something now that courts will consider your circumstances. You're talking about family and other kinds of things going on there, you're not talking about a traditional landlord-tenant kind of relationship. I put that to you as something that's available. I always tell people this and I will give you the brochure for the House Calls program. I'm hearing you talk about income and the ability to support yourselves and a lot of things impacting on that in different ways. I just want to make sure you're aware of SNAP and that you're aware of Health Insurance options that would be available to you. Is that something that you're on top of and have good information on?

Waters: Yes, I currently receive a \$69 a month from SNAP. That's all that they'll do.

Moermond: Are you aware of food shelf kind of things as well? How about your health insurance, do you have health insurance? I will give you this information anyway, but I will suggest reaching out and talking about your background that is impacting your ability to find rental housing. Get on that now, so that you're able to approach your next situation possibly without any of that out there. That's something that I want you to take away from this. All right, anything else?

Miracle: I have one more thing, the tenant who lived downstairs before, maybe the lady that was taken care of her was a support person. But I do know that when we were starting to live there, we started seeing a lot of traffic come in our house. Very sketchy music, very sketchy trucks, very sketchy environment. I can even hear the dog barking like crazy because he is wound up. She might have been disabled, but I don't think it was like that kind of way. I think she was involved with some bad stuff, as well as that lady that was taking care of her. The truck was not taken that day from that lady that was taking care of her, it was taken by this weird group of people. That's not our first time like I saw them take the truck I remember them because one night they went up to our unit and they were banging on our door really late in the middle of the night asking if we could move our car because they're scared because the police are coming after them. They want the us to get out of bed to literally move our car so they can hide that. The following day I had to go to work, and the truck wound up being in our driveway. That group of people did not live there, and they almost acted like they owned the house. We had no space or privacy because random drug addict people would come to our unit door and knock on our door and ask us to do things. We didn't want to get involved with these people. When I did see them ta

Referred to the City Council due back on 10/18/2023