

From: [Heintz, Polly \(CI-StPaul\)](#)
To: [Weiner, Greg \(CI-StPaul\)](#)
Subject: FW: Rent Control: Wednesday's City Council Vote
Date: Tuesday, September 20, 2022 11:02:24 AM

Polly Heintz | Executive Assistant to Councilmember Jane Prince

Pronouns: she/her

P: 651-266-8673

E: polly.heintz@ci.stpaul.mn.us

From: Tim Stewart <trstewart68@outlook.com>

Sent: Tuesday, September 13, 2022 9:12 PM

To: #CI-StPaul_Ward1 <Ward1@ci.stpaul.mn.us>; #CI-StPaul_Ward2 <Ward2@ci.stpaul.mn.us>; #CI-StPaul_Ward5 <Ward5@ci.stpaul.mn.us>; Tolbert, Chris (CI-StPaul) <chris.tolbert@ci.stpaul.mn.us>; Carter, Melvin (CI-StPaul) <Melvin.Carter@ci.stpaul.mn.us>; #CI-StPaul_Ward3 <Ward3@ci.stpaul.mn.us>; #CI-StPaul_Ward4 <Ward4@ci.stpaul.mn.us>; #CI-StPaul_Ward6 <Ward6@ci.stpaul.mn.us>; #CI-StPaul_Ward7 <Ward7@ci.stpaul.mn.us>

Subject: Rent Control: Wednesday's City Council Vote

Think Before You Click: This email originated **outside** our organization.

Dear Mayor and St. Paul City Council,

As a building owner and resident in St. Paul, I am sending you this note to express my support for full vacancy decontrol. In addition, any annual cap should be tied to CPI. Building owners won't need to charge maximum annual increases to our long terms residents if we have full vacancy decontrol. In addition, full vacancy decontrol is necessary to keep up with high expense increases and to effectively maintain and upgrade older rental properties.

Regards,

Tim Stewart
1036 Ashland Ave.
St. Paul, MN 55104



September 20, 2022

Saint Paul City Council
15 Kellogg Blvd. West, 310 City Hall
Saint Paul, MN 55102

VIA EMAIL: Contact-Council@ci.stpaul.mn.us, CouncilHearing@ci.stpaul.mn.us

Re: Public Comment, Rent Stabilization Ordinance

Council President Brendmoen and Members of the Council:

Thank you for the opportunity to submit public comment on the most recent Amendment to the Saint Paul Rent Control ordinance, proposed by Councilmember Tolbert and the revised amendments incorporated at the September 7th and 14th City Council meetings.

First and foremost, a full repeal of rent control would be the best thing for Saint Paul's housing future. There are lenders and investors that will not invest in any cities with rent control ordinances. Developers cannot produce housing alone and require lenders, investors and project partners for the money necessary to build. We are competing for investors on a global basis and any new construction exemption must be for a meaningful amount of time for those investors to achieve a return on investment appropriate to the risk of new construction- the risk being greater for a large redevelopment projects such as Highland Bridge or The Heights. We as a community cannot force those investors to come to Saint Paul, and if the majority of them simply choose to go elsewhere, Saint Paul will have less new housing and likely more expensive housing as a result.

While we appreciate the council's approval of a new construction exemption of 20 years, we remain concerned, as we have previously stated, that it is not enough to encourage investment in new housing in Saint Paul from lenders and investors. We do not believe a 20 year exemption will attract capital back to the marketplace- particularly given a lack of CPI adjustment or true vacancy decontrol. We feel a 30-year new construction exemption would bring some of those groups back to Saint Paul. There are several reasons a 30-year new construction exemption is imperative:

Ryan Companies US, Inc.
533 South Third Street, Suite 100
Minneapolis, MN 55415

p: 612-492-4000
ryancompanies.com

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- **It demonstrates to builders and investors that the City is serious about growth and progress.** The City needs new housing to achieve the equity, growth, and stability that led us to the current housing crisis. The risk of doing too little is too great!
- **It protects the City tax base.** A March 18, 2022 study by Kenneth Ahern and Marco Giacoletti from the University of Southern California estimates that the ordinance will cause Saint Paul "property values to fall by 6–7%, for an aggregate loss of \$1.6 billion." In addition, the City of Saint Paul's proposed budget increases taxes by 15%. Single-family property owners will most likely be paying for these taxes.
- **New projects take time to stabilize.** It typically takes 12-24 months to fully lease a project. During that time, move-in incentives are typically used. This is where the project has the most risk and exposure and where housing owners often reduce rents or implement concessions to attract tenants to the property. Once leased, a building is usually considered stable from an occupancy perspective after the first five years. From there investors view the project in 10-year cycles and underwrite their returns based on that. Groups like pension funds are the investors that are looking to support the portfolio of retirees and invest in real estate to diversify their portfolios. They will seek out markets with the best risk adjusted return and rent control adds risk.
- **Ambitious Redevelopment Projects**
Advancement of large, multifaceted redevelopment projects are vital to meaningfully growing housing stock, advancing economic development, providing amenities and supporting the city's tax base. These projects contain greater risk than individual developments even without rent control and are more difficult to finance overall. Many of these developments utilize the tax increment financing (TIF) from the market rate housing to generate additional funding resources and support increased production of income restricted, Affordable Housing. Exempting large scale redevelopment projects that support deed restricted affordable housing for 30 years is vitally important to the broad initiatives and long-term goals of the city and to create super-charged opportunities for Affordable Housing production and economic development.

At Highland Bridge, as part of the community driven vision for the development, the city and the development partners negotiated a financing mechanism that uses money from market rate projects to fund affordable, income-restricted housing at Highland Bridge and in other areas of the city. This structure would produce 760 new income-restricted housing units at Highland Bridge including 380 deeply affordable units at 30% of AMI. There is a mechanism in our agreement that also allows this affordable housing funding to be used elsewhere within the city to support production of new affordable housing units. If future market rate multifamily projects at Highland Bridge shrink in size or are delayed, less affordable housing will be delivered than initially contemplated- which is counter-productive to our collective goals for supporting affordable housing in the City of Saint Paul.



We are in support of the vacancy decontrol provision proposed by CM Prince on August 24th and approved by the majority of council members on September 7th, but not in support of the vacancy decontrol provision proposed on September 14th as it adds further confusion for tenants, owners, and especially City staff. The language in the current amendment is confusing and incomplete as it does not clarify important facts, such as whether or not this adjustment is annually compounding, when the CPI factor is identified (leases expire at all times during the year), how the application process works, how discrepancies are managed, and many more. The vacancy decontrol provision approved by the majority of council members on September 7th was a much simpler proposal that would be less time intensive for staff and easier for tenants and owners to implement. As with the other complicated provisions in the ordinance, this newly proposed provision is just one more reason why lenders and investors will decide not to invest in housing in Saint Paul. Attracting investment is critical to the production of new units to support the community's housing needs and the economic vitality of the City and region.

Thank you for your time and consideration in reading this public comment.

Sincerely,

A handwritten signature in blue ink, which appears to read "Maureen Michalski". The signature is fluid and cursive, written on a light gray rectangular background.

Maureen Michalski

Vice President, Real Estate Development

From: [Union Flats Renter's Association](#)
To: [#CI-StPaul_Council](#); [#CI-StPaul_Ward4](#)
Subject: Retroactive Exemption for Rent Control
Date: Sunday, September 18, 2022 7:04:08 PM
Attachments: [2021.11.11 Dominionium Ltr.pdf](#)

Think Before You Click: This email originated **outside** our organization.

Dear Saint Paul City Council,

Why is this amendment for 20 years of new construction retroactive? The same people we have been trying to hold accountable since 2019 are now getting rewarded with an exemption? See letter attached below. Also, there should be transparency about what a reasonable return on investment after/during a pandemic looks like. Landlords have testified at the city council meetings that rent hikes from 8% and more are not reasonable.

How do these amendments reflect what the voters want? City Council public hearings are held at a time when people are at work. How can this be a fair and public process? This is not what the people voted for.

We can't even imagine what that will do to our communities. It will affect low income households and immigrants the most. More people will end up on the street. How can any community thrive if they are constantly being torn apart because they are forced to move? Please fix this retroactive part of the exemption and protect the most vulnerable renters!

Thank you,
Union Flats Renter's Association

St. Anthony Park Community Council/District 12
P.O. Box 8124
Saint Paul, MN 55108



To: Ricardo X. Cervantes, DSI Director
Department of Safety & Inspections
375 Jackson Street Suite 220
Saint Paul, MN 55101

Nicolle Goodman, Director
Planning & Economic Development
City Hall Annex
25 West 4th Street, Suite 1300
Saint Paul, MN 55102

Joshua Lego, Senior Commander
Saint Paul Police - Western District
389 Hamline Ave N.
Saint Paul, MN 55104

Rae Eden Frank, Inter. Dir. Environ. Health
Saint Paul - Ramsey County Public Health
90 Plato Blvd. West, Suite 200
Saint Paul, MN 55107

Mitra Jalali, Councilmember
Saint Paul City Council
310-D City Hall 15 Kellogg Blvd., West
Saint Paul, MN 55102

RE: Complaints against Dominium Inc. management of Union Flats

November 11, 2021

Dear Director Cervantes, Director Goodman, Commander Lego, Councilmember Jalali, and Interim Director Frank:

The St. Anthony Park Community Council (SAPCC), on behalf of residents of Union Flats - a Section 8 affordable housing complex owned by Dominium, LLC - is writing to formally request an investigation into the lack of sanitary and safety compliance as well as general mismanagement of that building. After multiple complaints from residents, a crime prevention survey/audit performed by SPPD, and a community meal and listening session to hear resident concerns, the conditions in and around the building continue to deteriorate. This deterioration encourages theft. The timeline of the complaints against this building made to us are as follows, and have continued since the drafting of this letter (see [Dominium - Union Flats Complaints](#) folder for images):

- September 2020 - Traffic, parking, and noise complaints
- February 2021 - Drive-by shooting resulting in bullets lodged in common spaces and sanitation complaints (02.22.2021 Bullet hole Exterior.jpeg, 02.22.2021 Bullet hole Interior.jpeg)
- February 2021 - SAPCC Equity Committee hosts residents at monthly meeting as a listening session (see [Public Safety-Union Flats Compiled Info.doc](#))
- February 2021 - Patty Lammers, SPPD Western District Crime Prevention

Specialist-Community Partnerships Unit provided a brief description of her work with residents and management (Courtney was the manager of the building at that time). From Patty Lammers via email:

- “On January 13th, we held a virtual community meeting on safety with residents. I have offered to attend additional meetings and provide personal safety training as well.
- “I also completed a Crime Prevention Through Environmental Design Survey on the property two weeks ago and provided recommendations this week. Overall, the property has been very well secured already and there is good mechanical surveillance in place on site.
- “I have continued to provide management updates as incidents happen and discuss solutions with them. I know that Courtney was working on a system to alert residents of issues. She also held a follow-up resident meeting last week where I provided her some information to prep for the meeting
- “Management acted swiftly regarding the shooting and addressing the tenant. I spoke with Courtney the following day.”
- July 2021 - Sanitation complaints (07:15:2021 Trash.jpg, 07:20:2021 Trash.jpg)
- May 2021 - SAPCC Equity Committee hosts Community Meal at Union Flats in the pavilion
- August 2021 - Another vehicle was broken into in the underground parking, the garbage room was overflowing, and there was fecal matter in the pool and vomit in a stairwell (the latter of which a resident has volunteered to clean) - (08:01:2021 Trash.jpg)
- September 2021 - Residents attended the SAPCC Board Meeting to show pictures, social media posts, and share anecdotes about the conditions at the building

Despite the “satisfactory” results of the Crime Prevention Through Environmental Design Survey in February, theft inside the building and parking garage has increased. Bikes have been stolen in areas that are supposed to be secure. We have heard an anecdotal report of fines being threatened against a resident who was keeping their bike inside their apartment. When they moved the bike to the designated area, it was stolen. The attached images show cut locks from another bike. Thieves and vandals easily access the underground parking through the garage door, often breaking the door and creating a serious fire hazard because residents cannot enter or exit. The main gate for pedestrian entry (facing Hampden Ave.) does not close properly and/or is continuously left open, leaving access to the building unsecured. We have also heard reports of people climbing the fence and using the amenities in the pavilion.

Trash routinely piles up in the garbage rooms inside and outside of the building. We have attached multiple pictures, provided by residents, of garbage clogging the chutes and overflowing in the interior trash room. Garbage has been left on the adjacent Dynamic Fasteners property on Territorial Road, several feet away from exterior dumpsters. We have contacted them regarding these complaints, as well.

In addition to the lack of sanitation, the trees planted around the building when the development

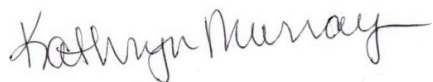
was being constructed, particularly along Territorial Road, have been neglected during the past year's drought, causing many to die and further adding to the neglect of the area. Several replacement trees were just planted in the Territorial boulevard as part of the community's 100 Trees Initiative in October. These and the other required trees on the property are crucial for making the area habitable and for eventually reducing the urban heat island effect. As agreed to when site plans were approved by the City, Dominion has the responsibility and authority to successfully establish and maintain City-required trees, including trees within the property and on the City right of way/boulevard.

The continued disregard for safety and sanitation concerns is negatively impacting the lives of Union Flats residents. At its worst, this could be interpreted as discrimination based on the low-income status of the occupants. Despite the lack of attention to building maintenance and response to tenant concerns, we have heard that some residents have been presented with rent increases as high as 10%.

We recommend Dominion evaluate their practices regarding the safety, maintenance, and sanitation of their building and grounds. Residents pointed out that the people hired to be in charge of building maintenance do not seem professionally capable of handling a building of this size. One solution might be to hire a different company with experience in large building complexes with over 100 units.

While these complaints must be addressed by Dominion and its management, ensuring that they are held accountable for providing safe, clean, and well-maintained facilities is the responsibility of the City and County departments. We request that you set a time certain for Dominion to remedy these health, safety, and livability complaints.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kathryn Murray". The signature is fluid and cursive, with the first name "Kathryn" being more prominent than the last name "Murray".

Kathryn Murray, Executive Director
kathryn@sapcc.org | 651-649-5992
www.sapcc.org

cc: Paula Pahl, Vice President of Public Affairs - Dominion Inc.
David Lepak, Regional Manager - Dominion Inc.
Erik Niesheim, Community Manager - Union Flats, Dominion Inc.

From: [Gloria Wang](#)
To: [CouncilHearing \(CI-StPaul\)](#); [*CI-StPaul Mayor](#); [#CI-StPaul Ward4](#)
Subject: St Paul's Rent Control: What a complete joke
Date: Friday, September 16, 2022 10:32:30 PM

From voting on Nov 2021 that there will indeed be a 3% cap on rent increase every year, to now, a joke of a Mayor saying he is going to sign in 8% cap increase on rent once City Council votes on it. What in the heck are you all doing? The people voted. We voted for that 3% cap. If we didn't want it, we would have vote against that. This is NOT what the voters had in mind.

Come live in my shoes for a month. You wouldn't make it it past the first three days. You wouldn't even know where your next meal is going to come from. Come live in my community who consists of low-income family trying to make it by. We are hard workers. We have jobs. But we teeter between just poor enough and just barely making it in this world. We live paycheck to paycheck. We make sure rent is paid. These big corporations are ALWAYS going to have hundreds lining their pockets. We voted for a 3% cap on rent increase yearly. This was our voice. If you sign in reworked rent control ordinance it's basically a big fuck you voters- you don't have a voice. You stating "today's vote reflects the will of voters"- who are these people because it is most certainly not my community who has this mind set of setting an increase at 8% AND inflation rate whenever a unit turns over. Who lined your pockets? Who giving you all "extra donations" to make this change to our vote? This is a complete joke and a slap in the face to the voters.

Thank you for making St Paul so affordable to live in. Thank you for lining the pockets of big corporations like Dominion. They fail from time to time to do general maintenance and operate their properties (that's plural) as cheaply as possible. The obvious reason is PROFIT. They are NOT a charity offering "affordable housing" out of the goodness of their hearts. Thank you for making people and families like us to fight against big corporations like them.

--

Gloria Wang

Candidate for Biology, Science, and Environment Major

Candidate for Chemistry Major

Undergraduate, University of Minnesota - Twin Cities '19

Cell: 651-235-7226

Other: wang5769@umn.edu

From: [Krista Doubek](#)
To: [CouncilHearing \(CI-StPaul\)](#)
Subject: rent control
Date: Thursday, September 15, 2022 2:59:37 PM

I live at Union Flats, managed by Dominion. i'm very concerned about what i'm hearing about the possible changes in the rent control law.

i'm disabled and live on a fixed income & an 8% rent increase in a complex that is supposed to be part of St Paul's affordable housing is ridiculous. I do get some assistance, but my assistance doesn't change enough to reflect the increase.

Maybe if Dominion did a good job I'd be less upset, but they are the worst place Ive ever rented from. Unfortunately, as a disabled adult i can't just move.

Krista Doubek

From: [MARILYN ZIEBARTH](#)
To: [*CI-StPaul Contact-Council](#)
Subject: Our experience with Berkeley CA Rent Control
Date: Wednesday, September 14, 2022 8:59:41 AM

Forty years ago we owned and lived in a house with two rentals. We voted for Berkeley's early and very stringent rent control ordinance. We've had many long-term renters over the years because we maintain and improve the property and live there part of the year.

The law there allows a cost-of-living increase, which are low--for example, \$9 for a basement apartment or \$100 for a two-story, 4-bedroom house. As retirees, that modest income is essential to us

Without vacancy decontrol, however, we would have had to sell the property long ago. Increases in utility costs and necessary repairs on a Victorian house and cottage would have priced us out of the market. Without decontrol, houses are left to deteriorate by necessity or become owner occupied.

We know from experience that vacancy decontrol is essential to rent control working. Please include it in the revised ordinance.

Thank you,

Marilyn Ziebarth and Werner Pavlovich
185 Vernon St., St. Paul