



August 10, 2022

St. Paul City Council
Legislative Hearings
310 City Hall
15 W. Kellogg Blvd.
St. Paul MN 55102

Supplement to Appeal by Angela Wilhight of rent increase in violation of City Rent Stabilization Ordinance at 261 5th St. E., St. Paul

This appeal was filed August 8. I did not receive copies from the City of the owner's request for an exception until today, although I had requested that material a week ago. The owner submitted two identical requests, one for self-certification and one for a staff determination. The submissions are full of errors and missing information which is critical to determination of the appeal. Please consider this list of errors, missing information, and misstatements in the owner's submission as part of Ms. Wilhight's appeal.

worksheet arithmetical errors:

Incomes for both base year and 2021 are added incorrectly.

Base year expenses added correctly, but the 2021 expense addition includes a major error resulting in an expense number which is far too high.

These errors substantially exaggerate the difference in NOI between base year and 2021.

The operating expense calculation includes item 23, amortized capital expense for base year and 2021; but the worksheet to be used to calculate these numbers is not filled out.

Therefore, this expense must be deleted in calculations for both years.

The CPI increase calculations uses the CPI change from 2019 to 2021. But the owner's submission indicates that 2020 rather than 2019 was the base year. Thus, the proper CPI increase is from 2020 to 2021, or 5% instead of 6.5%.

Missing data: The worksheet shows 89 apartments, but the excel worksheet for page 18 shows data for only 19 units. Thus the worksheet is wholly lacking in support for the income calculations.

Ms. Wilhight lives in apartment 604 (See Exhibit 1 to appeal). The worksheet contains no information on Apartment 604, which is the subject of the appeal (and of the complaint which triggered submission of these worksheets). With no data on the appellant's rents, and no inclusion of the information on her rents in the calculations, the worksheets should be rejected in their entirety.

Highly suspect data: the operating expense sheet shows an increase in "Office Supplies" of \$69,244, or 342% from \$28,646 in the base year to \$97,890 in 2021. This is the largest increase on the worksheet, for a cost item which should be relatively minimal. The City should demand supporting documentation, especially given the other errors in the submission.

Jack Cann, Attorney

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The statement in item 18 that utilities have been passed on to residents starting 1/1/22 is not correct, at least with regard to Ms Wilhight, who only learned of the proposed utility shift in a June 10 email from management announcing a new lease with the new utility provisions. That lease does not expire until the end of August, and thus the owner does not propose to pass on utility costs to her until September.

The owner has proposed no way to calculate the cost impact of the shift in utility costs to Ms. Wilhight. Therefore, it is impossible to determine from the worksheets whether the cost impact of the utility shift would be permissible under the ordinance.

Yours truly,

A handwritten signature in cursive script, appearing to read "Jack Cann".

Jack Cann,
Attorney for Ms. Wilhight