From: Robert Fox <robfox14@yahoo.com>
Sent: Friday, June 5, 2026 11:44 AM
To: Demetrius Sass <Demetrius.Sass@ci.stpaul.mn.us>
Subject: Re: Rent Stabilization - 1640 Edgerton St.

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

Dear Mr. Sass,

Thank you again for your thorough and candid responses—they have been invaluable in helping me understand both the process and the reasoning behind the determination. In reviewing your explanation of the Line 2 methodology, I believe I have identified new evidence and a line of reasoning that may warrant reconsideration at the staff level before an appeal becomes necessary. I am submitting the attached Security Deposit and Last Month's Rent Tracking Ledger for Ms. Rowe's tenancy as supporting documentation to my MNOI application.

The ledger reveals several facts that I believe are directly relevant to how the June 2025 Last Month's Rent application should be treated in the income calculation:

First, the Last Month's Rent was not a regular rent payment paid on the first day of a new month of tenancy. It was instead an advance payment guaranteeing management there would be at least a one-month financial buffer should the tenant not provide proper notice prior to vacating. The Last Month's Rent was also, in this circumstance, not a straightforward deposit collected and held in escrow—it was a contested debt collected in installments over a five-month period from August through November 2024, with a final installment of $899.93 not received until January 4, 2025. The underlying obligation arose in August 2024, and the bulk of the payments were received in calendar year 2024. Characterizing the June 2025 application of this debt as current year rental income conflates the timing of its application with the timing of the underlying obligation, which was substantially a 2024 event.

Second, the January 4, 2025 final payment of the Last Month's Rent obligation included both a last month's rent installment of $899.93 and late fee payments of $149.74—made simultaneously by the tenant, Ms. Rowe, on the same date. The late fees collected on that date are already included in my reported 2025 late fee income of $1,459.75 on Line 3. If the late fees received on January 4, 2025 are correctly treated as 2025 income, consistency would suggest the Last Month's Rent installment received on the same date should be treated the same way—yet even if it were, the remaining $1,500.07 of the Last Month's Rent was collected entirely in 2024 and should logically be treated as 2024 income regardless of when it was applied. Note: to be clear, I am using the late fee comparison only to illustrate the inconsistency in the methodology, not to actually concede the January 4, 2025 Last Month's Rent amount.

Third—and I believe most compellingly—in practical terms, the Last Month's Rent functioned as a deposit held in escrow throughout the tenancy, economically indistinguishable from the security deposit, and should be recognized as income on the same basis. The ledger shows that the $3,000 security deposit was collected from Ms. Rowe in two installments on August 12 and 14, 2024 at virtually the same time as the Last Month's Rent became due. It was held in escrow throughout the tenancy and applied in July 2025 to the SPRWS debt and property damages. Under your methodology, the security deposit application in 2025 is correctly not treated as 2025 income—it is recognized as a prior-year collection applied to offset losses. Yet the Last Month's Rent was collected under virtually identical circumstances within virtually the same time period, held in escrow throughout the same tenancy, and applied to its designated purpose in 2025. To treat these two deposits differently requires a principled distinction that does not appear to be supported by the form's instructions or the administrative rules—and your own acknowledgment that the rules are silent on how Line 2 should be handled in this situation suggests that no such explicit distinction exists.

If the Last Month's Rent application is treated consistently with the security deposit—as a prior-year collection applied to its designated purpose in 2025 rather than as current year income—the Line 2 shortfall would correctly reflect the full $3,800 gap between scheduled and actual 2025 rental income. The revised

figures would be as follows:

Current year income: $28,990.92
Current year expenses: $18,809.70
Current year NOI: $10,181.22
Fair NOI: $17,394.81
Allowable increase: $7,213.59
Allowable percentage: 23.12%

I recognize that this represents a meaningful revision to the determination, and I want to be clear that I am not presenting this to be adversarial—I am presenting it because I believe the explanation of the Last Month's Rent along with a copy of the ledger which tracked its balance constitutes new evidence that genuinely changes the picture, and because you indicated that additional evidence could alter the rent increase determination at the staff level. If after reviewing this new information you determine that the original methodology you have applied should stand, I will proceed with filing an appeal without further delay. However, I hope this final effort gives you and your leadership a principled basis to revise the determination so I needn't endure a significant delay before obtaining a final decision on my increase request.

I continue to appreciate your transparency and professionalism throughout this process.

Most sincerely,

Robert Fox

On Thursday, June 4, 2026 at 12:22:42 PM PDT, Demetrius Sass <demetrius.sass@ci.stpaul.mn.us> wrote:

Hello,

I'll do my best to answer your question in order.

Rent Increase During Appeal
Generally, rent increases are stayed during the appeals process. Rent increases are meant to be implemented once the application reaches Final Determination. Final Determination is either, 45 days after a department determination is granted in absence of appeal or at the time of the City Council decision after an appeal is filed. During the appeal process, the hearing officer will develop a recommendation which will be entered on the City Councils agenda. The council will adopt the recommendation at the next available council meeting unless there is additional public testimony that disagrees with the hearing officer's recommendation.

Rules Relating to Line 2
While the administrative rules are not explicit about how to handle Line 2 – Portion Attributable to Vacancy in the MNOI worksheet review process, there are two items I will point to. Firstly, within the income calculation portion of the MNOI worksheet, it specifically excludes the Line 2 from Line 18 - Total Income, stating, "add only lines 1 and 3-17." Secondly, the definition of Gross Rental Income found in the administrative rules is described as, "Gross Rents calculated as gross scheduled Rental income at one hundred percent occupancy and all other income or consideration received or receivable in connection with the use or occupancy of the Rental Unit."

In the application for 1640 Edgerton, it was noted that rent was purposefully decreased and the income lost from this decrease was placed in Line 2. I took this to be a concession offered by the ownership to incentivize tenancy with a new tenant. Since the rent was reduced, the “rental income at one hundred percent occupancy” was less than the Jan. 1 rent level multiplied by 12. The language was clear that the reduction in rent was not reflective of the market rate of the unit, thus, the potentially collectible rent was to remain at $31,200. This implied that the discount is temporary. If the Gross Scheduled Rental Income (representing the total collectible rent) was to remain at $31,200, the only way to consider the reduction in rent is to add a line to either the income or to the operating expense portion of the worksheet which reduces NOI by $1,200. Either option would contribute equally to reducing the Current Year NOI and growing the allowed rent increase.

Another option would be to remove the $1,200 from Line 1, lowering the Gross Scheduled Rent to $30,000. However, this would be solidifying the collectible rent at less than $2,600/month. This would move the allowed increase to over 15%, however, it would be an acknowledgement that the base rent level has been decreased from $2,600 to $2,400/month. This seemed counter to the materials provided in the application.

The administrative rules contain a variety of provisions for adjustment to operating expenses in order to create a reasonable comparison between Base and Current Year but the same cannot be said about adjustments to income values. There is not specific language within the rules defining how Line 2 is handled, rather, the absence of such language restricts staff from making adjustments to the process as written in the worksheet.

Appeal Timeline
Up to this point, the appeals office has scheduled appeals after the end of the 45-day appeal window. From there appeals generally consist of a single hearing and then dialogue between the appellants and hearing officer over email or phone. It is difficult to say how long it would take for the hearing officer to come to a recommendation to council as this is dependent on the complexity of the situation. With that said, at a minimum, I would expect 60 days. Again, our staff have no control over the appeals process so any expediting would need to be determined with the appeals staff.

I will continue to hold off on finalizing and mailing any tenant notices until you have confirmed so.

Best regards.

Demetrius Sasst
Rent Stabilization Administrator
651-266-9067

From: Robert Fox <robfox14@yahoo.com>
Sent: Thursday, June 4, 2026 1:33 AM
To: Demetrius Sass <Demetrius.Sass@ci.stpaul.mn.us>
Subject: Re: Rent Stabilization - 1640 Edgerton St.

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

Dear Mr. Sass,

Thank you for your prompt and thoughtful response, and for the clarity with which you described both the appeals process and the constraints under which your office operates. I have a great deal of respect for the professional manner in which you have handled this application throughout.

I have decided to file an appeal with the Legislative Hearing Officer. Before you mail the tenant notice, however, I have a few clarifying questions I hope you are able to answer, and I would ask that you hold the notice until I have reviewed your responses and confirmed my go-ahead to proceed with the mailing. I understand the 45-day appeal period will begin on the date the notice is mailed, and I will not delay unnecessarily in reviewing your responses and getting back to you promptly.

First, does implementing the currently approved 14.79% increase during the pendency of the appeal—by providing tenants with proper notice and collecting the higher rent while the appeal is being heard—constitute any form of acceptance of the determination that could affect my standing or arguments in the appeal proceeding? I want to ensure that moving forward with the approved amount does not inadvertently prejudice my ability to seek the additional amount through the appeals process.

Second, in your previous response you mentioned that after reviewing the administrative rules and discussing the matter with leadership, staff would be maintaining the department's historical method of assessing this application. Could you point me to the specific provision in the Saint Paul Legislative Code or the administrative rules implementing the Rent Stabilization Ordinance that addresses how Line 2—Portion Attributable to Vacancy—should be treated in the case of a mid-year rent reduction? Understanding the precise language that informed your determination would help me present my case more effectively to the Legislative Hearing Officer.

Third, could you give me a general sense of the expected timeline for the appeals process—from the date of filing to the LHO hearing and subsequent recommendation to City Council? I want to plan accordingly with respect to tenant notification and implementation of any approved increase.
I appreciate everything you have done to facilitate a fair and transparent process, and I look forward to presenting my perspective to the Legislative Hearing Officer.

Most sincerely,

Robert Fox

Landlord / Authorized Agent
1640 Edgerton St., Saint Paul, MN 55130
robfox14@yahoo.com
(612) 521-9692

On Wednesday, June 3, 2026 at 01:17:02 PM PDT, Demetrius Sass <demetrius.sass@ci.stpaul.mn.us> wrote:

Hello Mr. Fox,

After reviewing the administrative rules and discussing the matter with leadership, staff will be maintaining the department's historical method of assessing this application. This is not to suggest that your interpretation of the form is unreasonable; however, any modification to our established interpretation of the process would be more appropriately addressed through the appeals process.

The appeals process is administered by a separate City department and is independent of our team and leadership. It is not an adversarial proceeding. Staff would attend the hearing to explain the process and analysis that led to the determination, and you would have the opportunity to present your perspective to a Legislative Hearing Officer (LHO). These hearing can be done remotely.

Unlike administrative staff, the LHO has additional discretion in evaluating the circumstances presented. While that does not necessarily mean a different method of analysis would be applied, it does allow for consideration beyond the constraints under which staff operate. I am happy to answer any questions you may have about the appeals process to the best of my ability.

As it stands, the department's determination will remain 14.79% unless additional evidence is submitted. I will hold the tenant notices until Friday (6/5) unless I hear from you sooner. Please note that the 45-day appeal period will begin on the date the tenant notices are mailed.

Thank you,

Demetrius Sass
Rent Stabilization Administrator
651-266-9067

From: Robert Fox <robfox14@yahoo.com>
Sent: Saturday, May 30, 2026 2:06 PM
To: Demetrius Sass <Demetrius.Sass@ci.stpaul.mn.us>
Subject: Re: Rent Stabilization - 1640 Edgerton St.

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

Dear Mr. Sass,

Thank you for the detailed explanation and for sharing the spreadsheet. I appreciate your continued transparency and your willingness to hold off on tenant notices while we work through these differences—that gesture speaks well of the process and of you personally.

On the expense discrepancy of $403, I have reviewed the spreadsheet carefully and confirm that my reported total was indeed $403 higher than the actual sum of the individual line items. This was a novice oversight and an arithmetic error on my part; I concede this point without reservation. Thank you for bringing it to my attention.

On the income methodology, I would like to ask that you consider an alternative interpretation. My understanding of the form's instructions is that Line 1 reflects the monthly rent in effect on January 1 multiplied by 12—in this case $2,600 × 12 = $31,200—and that Line 2 is used to reconcile that scheduled figure against what was actually collected during the year. In my case, the actual net collections for 2025 were $30,000, making the Line 2 shortfall $1,200 by that measure—which aligns with your calculation. However, I would contend that the heading "Portion Attributable to Vacancy" does not distinguish between shortfalls caused by physical vacancy and those caused by actions taken to avoid vacancy altogether—including a temporary rate reduction made to minimize vacancy losses in the immediate aftermath of a court-ordered eviction.[1] Treating such a distress-driven rate reduction differently from a traditional vacancy produces a result that understates the financial impact of the eviction on my net operating income. If the alternative interpretation is not considered, it might suggest that the City's methodology inadvertently favors properties left vacant and languishing over those quickly restored and made available as stable,