

Vang, Mai (CI-StPaul)

From: Moermond, Marcia (CI-StPaul)
Sent: Thursday, February 12, 2015 2:39 PM
To: Barnett, Andy (CI-StPaul)
Cc: Schroeder, Greg (CI-StPaul); 'Donna Corbo'; Magner, Steve (CI-StPaul); 'Sara K Udvig'; Xiong, Mai Chong (CI-StPaul)
Subject: RE: 872 Selby

Andy,

I have a few items to update you on in this case.

First, the property taxes situation is definitely complicated. It looks like James Logan entered into a confession of judgment with the county on January 30, 2015 to pay the \$26,340 due in taxes, penalties and interest. This payment arrangement allows him to divide the payments over 10 years and this agreement has halted forfeiture proceedings. The arrangement requires him to make annual payments on confession of judgment and pay the current year taxes. I spoke with delinquent tax staff at the county and they indicated he paid the first of 10 installments (\$2,600), which is required to lock in the arrangement. A second part of the confession of judgment is that he must remain current on his regular property taxes and assessments. So, you will have something like \$4,563 still to pay in 2015. I don't know if this will affect his ability to get financing for rehab work, but it will definitely have an impact on his personal budget.

Second, in my email of yesterday evening my focus was Mr. Logan maintaining ownership throughout the rehabilitation or demolition. Under SPLC 33.03(f) Mr. Logan does have the ability to sell or otherwise transfer ownership of the property to the City's Housing and Redevelopment Authority (HRA) or by person acting in conjunction with and for the convenience of the HRA. This is interpreted to mean a community development corporation (CDC) or neighborhood housing service (NHS).

Lastly, I wrote a long letter to James Logan this morning explaining our communication to date and the upcoming meeting on the 24th. I covered the same information which is in these emails.

I will not be in the office tomorrow, but will be checking emails periodically.

Marcia

From: Moermond, Marcia (CI-StPaul)
Sent: Wednesday, February 11, 2015 7:31 PM
To: Barnett, Andy (CI-StPaul)
Cc: Schroeder, Greg (CI-StPaul); Donna Corbo; Magner, Steve (CI-StPaul); Sara K Udvig; Xiong, Mai Chong (CI-StPaul)
Subject: RE: 872 Selby

Andy,

Thank you for your email on this important issue. I have had a chance to discuss this matter on several occasions with Councilmember Thao, City employees who struggle with these cases every day and neighborhood residents who have a history with Mr. Logan and may be able to act as a representative or intermediary. There is a lot of history with this case, and also many failed attempts to successfully rehabilitate the property.

There have been 4 City Council Orders to Abate the Nuisance conditions at this property in that 12 or so years. Each time, additional time has been granted hoping James Logan will be able to manage to complete this project. He is a genuinely nice guy with neighborhood roots and good intentions, which is no doubt why the Council has continued to allow this project to come to the well again and again. However, each additional grant of time has not led to the project progressing or being finished.

A Substantial Abatement Order (sometimes known as an Order to Remove or Repair a building) is a quasi-judicial action taken by the Council. There are 2 key things to keep in mind related to this. The first is that the only way to appeal this decision is to ask Appeals Court to review the process by which the Council came to its decision. Appeals Court can either affirm the decision or remand it back to the Council for its "reconsideration." (There is a 60-day window in which to appeal.) The other thing to keep in mind is that the Council can choose to review the case again. As I said earlier, this case has been seen by the City Council 4 times already.

The Department of Safety and Inspections is required to remove a property when the Council has issued an order for its rehabilitation or removal. The most recent Council Order was issued March 21, 2012 and it granted 6 months for a rehabilitation. Clearly, the rehabilitation was not completed. The property's demolition was significantly delayed (all of 2013 and 2014) to allow Mr. Logan a chance to pull something together to get this done, and he has not. The ward office (over 5 separate Councilmembers), vacant building manager, building official, neighborhood representatives, residents, and I have all met with Mr. Logan in hopes of him understanding what needs to be done and how to approach it. I understand this building would have been removed last year, but for budget shortfalls. The demolition itself is not a discretionary matter for the DSI. Also, please understand that the Council is charged with treating these cases in a fair and consistent manner. With 4 orders being issued over the past 12 years, this property has been treated very differently. I think there are good reasons for this, but there will need to be sweeping changes in approach to justify any additional consideration. I am relaying all of this to try to communicate that there are significant legal concerns about another delay.

As I indicated earlier, I have talked with Councilmember Thao, and I am willing to re-examine this case. I am scheduling a meeting Tuesday February 24 at 10:30 AM in Room 330 City Hall to discuss the possible grant of an additional extension.

Although I will be convening this discussion, I must be very clear that the matter is not as simple as granting Mr. Logan a loan or providing project management assistance. Here are some of my thoughts on where things are now:

Property taxes have not been paid since at least 2010-2011, although one payment was made in 2014. Non-payment will result in this property forfeiting to the state. I don't have access to the exact month and year of the potential forfeiture, but will look into it in the morning. 5 years of nonpayment will initiate forfeiture. Just eyeballing the records I have access to, 2012 – present, at least \$14,000 is due. This is definitely a concern for all involved in moving forward.

A new code compliance inspection will need to be conducted. The old one has long since expired. I will note that the building official and I thoroughly inspected the property last June (2014) and found no items on the code compliance completed. The building official and I will be meeting Mr. Logan at his property February 21 to assess the situation again. This is simply an assessment to inform me of the conditions and does not substitute for a new code compliance inspection.

Mr. Logan has been maintaining the property and no orders have been issued since January 2014. This weighs in his favor. However, there have been repeated neighbor complaints of people hanging out at the property who are clearly not involved in its repair. (I myself have been present at the property and seen this activity.) A registered vacant building is just that, and people may only be present who are conducting rehabilitation, cleaning and moving activities.

The performance deposits which have been posted in the past have been forfeit for nonperformance. The Code requires \$5,000 and authorizes the Council to require \$10,000 for additional grants of time. It would be hard to not ask for a \$10,000 deposit or bond given the number of extensions already granted.

I will not advise that the Council accept any work plan in which Mr. Logan is performing work, included as a contractor himself, a decision maker on the contractors or their activities. A contract to this effect would need to be developed, approved by the City and executed.

I will not advise that the Council grant additional time for the project unless adequate funds can be demonstrated to complete the project. The funds should be commensurate with the amount required in the bids, plus any additional funds for taxes, etc. and they adequacy of the funds will be reviewed by City staff. These funds should not be in control of Mr. Logan, and he should have no role in paying contractors or other costs associated with the project. Again, a contract to this effect would need to be developed, approved by the City and executed.

Mr. Logan has indicated for over a decade that his son will be living there when the rehabilitation is complete. Given the length of time which has elapsed since this was originally put forward, I think the circumstances should be reviewed to determine if circumstances are unchanged.

Both Community NHS (332 St. Clair) and Dayton's Bluff NHS (676 Wells) have tried to do a rehabilitation in similar circumstances. I strongly recommend you consult with them, as they may be able to provide advice and insight on the best way to approach and manage this situation.

You mentioned organizations which may be able to provide assistance will have difficulty moving forward easily without the City ceasing demolition activity. I have asked DSI to hold off until we have a chance to meet and discuss the issues. A discussion may mean 2 or 3 meetings if things are progressing well, but there are still matters which need to be attended to. However, the City will not formally cease demolition activities without having an acceptable, concrete plan for moving forward. If there is an additional grant of time, it will be done by way of an Order of the City Council.

I know this is a lot to consider, and I imagine a nonprofit commitment to see this through will require buy-in from the boards involved and others. I hope you are able to at least informally initiate these discussions prior to our meeting on February 24.

I wish you all the best and hope these efforts can be successful. I know you are people of good will trying to do good work. Perhaps you can succeed where others have not. I hope so. I look forward to seeing you February 24 at 10:30 AM.

Sincerely, Marcia Moermond

From: Barnett, Andy (CI-StPaul)
Sent: Wednesday, February 11, 2015 4:00 PM
To: Magner, Steve (CI-StPaul); Xiong, Mai Chong (CI-StPaul); Sara K Udvig
Cc: Schroeder, Greg (CI-StPaul); Moermond, Marcia (CI-StPaul); Donna Corbo
Subject: 872 Selby

I have met with Mr. Logan at 872 Selby and believe that it is possible to get this renovation on track and avoid an unnecessary demolition. He met today with Donna Corbo, lending program manager at Neighborworks Home Partners, and she has indicated that it is likely that he could qualify for financing to complete the project based in his intention to have his son owner occupy the home when the rehab is complete. More importantly, working with Neighborworks will

connect him to the project management support needed to successfully complete the project and address the remaining deficiencies.

Obviously, Neighborworks is hesitant to move forward with his loan application given the home's demo status. I urge that the City of St. Paul remove this home from the request for demolition bids and grant another extension to Mr. Logan to secure financing and construction management assistance.

Please feel free to contact me to discuss this matter further.

Yours,

Andy Barnett, coordinating consultant
Frogtown Rondo Home Fund
612-490-8398

From: Magner, Steve (CI-StPaul)
Sent: Friday, February 06, 2015 2:51 PM
To: Barnett, Andy (CI-StPaul)
Cc: Schroeder, Greg (CI-StPaul); Moermond, Marcia (CI-StPaul)
Subject: RE: DSI demo bids

Andy,

DSI is requesting demolition bids for properties that have resolution passed by the City Council to remove the nuisance property. If you feel that some other action should happen. You would need to speak to the Council. I would suggest that you start with the Legislative Hearing Officer as she is familiar with all of these properties.

Thanks.



Steve Magner

Code Enforcement Manager

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From: Schroeder, Greg (CI-StPaul)
Sent: Friday, February 06, 2015 11:18 AM
To: Magner, Steve (CI-StPaul)
Subject: FW: DSI demo bids

Steve-

Can you please respond to Andy.

Thank You

Greg



Gregory A. Schroeder, P.E.

Deputy Director

Department of Safety & Inspections

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From: Barnett, Andy (CI-StPaul)
Sent: Friday, February 06, 2015 9:55 AM
To: Schroeder, Greg (CI-StPaul)
Subject: DSI demo bids

Greg,

I was just notified through HREEO that DSI is seeking bids to demolish three properties in Rondo and Frogtown. None of these properties appear to be in a condition to require demolition. Is your team convinced that every possible solution has been pursued to correct the deficient conditions? I am unaware that any of the organizations that provide home repair assistance have been engaged on any of these properties. It is more likely that existing homes in this neighborhood—even ones with significant deficits—will be renovated than that they will be replaced with new construction. This means that vacant property will continue to have a depressing effect on property values for years to come. Does your department see a different trend with properties that have demo assessments?

Please let me know how the home fund can work with you to mitigate housing deficits without the loss of housing in the neighborhood.

Yours,
Andy