

Neighborhood Assistance for Homeowners

(A NON-PROFIT ORGANIZATION)

February 20, 2018

Mai X. Vang
Legislative Hearing Coordinator
Saint Paul City Council
15 W Kellogg Blvd, Ste. 310
Saint Paul, MN 55102

Marcia Moermond
Legislative Hearing Officer
Saint Paul City Council Hearing Office
15 W Kellogg Blvd West, Ste. 310
Saint Paul, MN 55102

VIA EMAIL: mai.vang@ci.stpaul.mn.us

VIA EMAIL: marcia.moermond@ci.stpaul.mn.us
legislativehearings@ci.stpaul.mn.us

Re: Order to remove or repair the structure at 1536 Van Buren Avenue

Dear Ms. Moermond and Ms. Vang:

This is in response to your letters of February 2, 2018 concerning the Order to Remove or Repair the Structure at 1536 Van Buren Avenue and your letter of February 15, 2018 concerning the City Council Public Hearing recommendations made by Marcia Moermond, Legislative Hearing Officer and the City Council's approval of those recommendations and that the be continued to Wednesday, February 21, 2018 at 3:30 p.m. in Room 300 City Hall.

The Letter from Mia Vang dated February 2, 2018 detailed the expectations of the Legislative Hearing Office and the City Council that:

1. A code compliance inspection must be completed, noting access to building need lockbox;
2. A \$5,000 performance deposit will need to be posted with DSI at 375 Jackson St, Ste 220, St Paul MN 55102 – please note that the deposit will be returned with interest when the code compliance certificate is issued within the grant of time from the City Council – which is proposed to be 180 days;
3. A detailed work plan or sworn construction statement, including timelines and bids, for completing the work will need to be provided;
4. Documentation of financing sufficient to execute the above work plan will need to be demonstrated (line of credit, construction loan, personal bank account). The City estimates the cost to repair to exceed \$100,000; however, this number is likely to change based on the estimates you bring forward;
5. If the funds being used are not tied to the project (such as a construction loan), we require an affidavit that state that necessary funds will be set aside from other business or personal accounts; and
6. The property must be maintained

At the subsequent City Council Hearing on Wednesday, February 14, 2018, Legislative Hearing Officer Moermond asked for and was granted the following conditions:

7. That in order to refer the matter back to Legislative Hearing to discuss further plans for the rehabilitation of the structures:
 - a. A \$5,000 performance deposit be posted with Dept. of Safety & Inspections at 375 Jackson St, Ste. 220, St Paul MN 55102 by the close of business on February 20th.
 - b. A lockbox be placed on the door for inspectors to access the interior of the house and have clearance to walls, mechanical room, & etc.).
8. If the deposit is posted, Ms. Moermond recommended and received approval from the Council for a Legislative Hearing on February 27, 2018 at 9:00 a.m. in Room 330 City Hall.

We are pleased to report that we have made progress on your requests and have detailed those steps below.

1. An Escrow Account has been established at Thomas H. Olive Law, P.A. for the sole purpose of funding the repairs and renovations needed to obtain an occupancy permit from the City; \$5,000.00 was wired into the account today, February 20, 2018 as evidence of Good Faith and our intention to move forward with the project. This account will be controlled by Neighborhood Assistance for Homeowners and our attorney, Thomas Olive. Funds will be paid directly to contractors after verification and inspection of the work.
2. **An additional \$70,000.00 Construction Loan has been approved pending review of the City's** Inspection Report and the receipt and review of construction bids. If a reasonable amount of additional funds are required for completion, the lender has indicated their willingness to advance additional funds. A Commitment Letter from our lender is being completed today and will be available tomorrow, Wednesday February 21, 2018.
3. Legal documents are being drawn up that will provide for a structure that insures all City code, inspection and permit requirements are met. It will be executed as soon as the inspection report and bids are received and reviewed. We expect the loan to be closed and all documents executed by March 10, 2018. The 180 Day Performance Period put forth by the City is acceptable to all parties.
4. A Lockbox was installed at the property and the City Inspector visited the site. Unfortunately, although materials had been moved aside, the Inspector felt additional clearing needed to occur before the inspection could take place. Additional clearing of building materials will be done tomorrow, Wednesday, February 21, 2018. We will call the Inspection Services Department to better understand what condition the property must be in to allow an inspection to take place. In addition, the Lockbox was removed or stolen and is being replaced.

Based on the progress made to date, we respectfully request a decision on the Order to remove or repair the structure at 1536 Van Buren Avenue be postponed until March 14, 2018 by which time a Project Plan will have been submitted for review by the Legislative Hearing Officer.

Thank you for your assistance in this **difficult matter**. **We are working diligently to meet the City's** requirements and expectations. We look forward to creating a cooperative process that allows the City, an experienced nonprofit and a socially responsible lender to work together to benefit the community of Saint Paul.

Sincerely,

Sincerely,



Inna Tobak
Executive Director
Neighborhood Assistance For Homeowners
(non-profit organization)

ATTACHED:

1. Proof of Escrow Funds Confirmation from Thomas Olive Law Office
2. Proof of Funds HomeLiberty, Inc Pre Commitment letter.

CC: Mai Vang, Legislative Hearing Coordinator
CC: Greta Bjerkness Wilfred, Geske & Cook