

Minutes - Final

Legislative Hearings

| Tuesday, April 25, 2023 | 9:00 AM | Room 330 City Hall & Court House/Remote | | | |
|---|--------------------------------|---|--|--|--|
| legislativehearings@ci.stpaul.mn.us 651-266-8585 | | | | | |
| Joanna Zimny, Executive Assistant | | | | | |
| Mai Vang, Hearing Coordinator | | | | | |
| Ма | rcia Moermond, Legislative Hea | ring Officer | | | |

9:00 a.m. Hearings

Remove/Repair Orders

1 <u>RLH RR 23-7</u> Ordering the rehabilitation or razing and removal of the structures at 901 FULLER AVENUE within fifteen (15) days after the March 22, 2023, City Council Public Hearing. (To refer back to April 11, 2023 Legislative Hearing)

Sponsors: Balenger

Layover to LH May 9, 2023 at 9 am for further discussion. (CPH May 17) \$5,000 PD must be posted by May 5, 2023.

Craig Cooper, interested party, appeared Steve Greenfield, attorney, appeared via phone

Moermond: we're talking about where we go from here with this property. We spoke and covered some territory last time. My understanding from you is that your client is select portfolio servicing and they are interested in fixing the property?

Greenfield: absolutely. I am furiously texting my paralegal who has been sick with the flu for 3 days. I apologize I am not prepared with all of my documents in front of me. My client is sending in the \$5,000 Performance Deposit. I understand we may have this under contract with a buyer willing to take on the responsibility of fixing it if you allowed us to sell with an assumption of the liability and allowing my client to convey on that.

Moermond: so, you want to transfer it to someone who would be doing the rehab and going through the process of formally having the Council asking for an extension on the order to remove and repair.

Greenfield: I'm somewhat embarrassed, unfortunately with the illness of the paralegal, I find myself feeling like a rookie when I'm not prepared. Is it possible to continue this to next week? When is the next hearing?

Moermond: it would be two weeks out. There is no Performance Deposit posted and no foreclosure filing according to Planning and Economic Development. Under chapter 33 you can't transfer title until the nuisance condition is abated by rehabilitation or removal of the property. Select Portfolio is left holding the bag until it is sorted. You

couldn't transfer the title until you have the family go through probate. There are 4 or 5 children. The title is definitely clouded. They would arguably need to be notified and sign off on their ownership interest. Since there's no filing I assume that isn't happening, but perhaps you have other information.

Greenfield: I don't know what your gap is up there, I can send you a copy of the missing assignment of mortgage, as well as the filings of complaint, which would show you the steps my client is taking to acquire the property. It is a title problem, not just a code issue. It is an issue when my client inherited the problem versus causing them as well as staring down the barrel of significant loss. We've had success in numerous jurisdictions where the governing body joins with us in what is essentially a 3-party stipulation where the sell would pay an agreed upon sum for any fines. The buyer is permitted to assume the liability and the municipality will give their assent to the conveyance. I'm happy to send you a draft of what that would look like.

Moermond: no, we won't do that. The owners are responsible for abating the nuisance condition. The City is the enforcement agent. I am not interested in pursuing that, perhaps the City Council has the palate for doing that. I'm not the decision-maker, I just make recommendations. I am concerned about the ability of Select Portfolio to do anything in a timely fashion when we started this February 14. Rolling it back means the Order to Abate was issued November 28, 2022 to your client. It has been a lot of lead time to do things required. According to our systems we haven't got traction on anything. I'm willing to continue this for two weeks and see where you are at. We can talk May 9 and send it to Council May 17 with a recommendation on where we go from here. At this juncture I'm not seeing my way clear. We are also actively looking for US Bank to be a party in this conversation. Ultimately it is them who hired Select Portfolio and was disappointed in the lack of participation of your client until we tracked you down and encouraged you to participate. Thank you for doing that, but again this is something we've been trying to do for a long time without much success. Let's get some movement going, hopefully, and hope there can be resolution sooner than later.

Greenfield: I appreciate your time today and permitting me to have a second bite at the apple, as it were. I'll address some of your concerns then.

Moermond: fantastic, we'll send a follow up letter confirming the details so you have that.

Laid Over to the Legislative Hearings due back on 5/9/2023

2 RLH RR 23-8 Ordering the rehabilitation or razing and removal of the structures at 1082 LOEB STREET within fifteen (15) days after the March 22, 2023, City Council Public Hearing. (To refer back to March 28, 2023 Legislative Hearing)

<u>Sponsors:</u> Brendmoen

Layover to LH May 23, 2023 at 9 am for further discussion. (CPH May 24)

Heidi Hovis, attorney o/b/o MN Department of Housing, appeared

Hovis: they pulled out of the sale, its back on the MLS. The realtor has indicated significant interest, but no offers as of last night when I checked. Our goal is finding a new buyer, maybe one more invested in the process, who can be more concrete in the timeline and plan for the property. We are kind of back to square one. We do believe we will get another purchaser; we would like some time especially with it being spring.

Moermond: in the purchase agreement you were selling for \$40,000, it is listed again for \$50,000. That's our team to put together. When I briefed the Council President yesterday she had looked it up, which we did because its such an unusual ask to wait for a demo to do utility cuts in a way that as advantageous for the purchaser. I wanted her to know the logistical concerns about that. Is the City willing to wait to see if someone is willing to pick it up for rehab.

Hovis: would you give us a month go get a buyer and do the \$5,000 Performance Deposit. I think we can move quickly; we are more knowledgeable now.

Moermond: how would it be measurably different in the cost of rehab and new construction. I know that impacts your price, but that isn't much of a house. The site is extremely inhospitable for work. Top of a hill, no driveway.

Yannarelly: it isn't an easy lot to work on, no.

Moermond: I'm inclined to recommend demolition and I don't see it causing a big loss to the State. I could be assessing that wrong, and I'm willing to give additional time.

Hovis: the State didn't see bids for rehab dollars. When the State did estimates it was quite lower than the previous buyers said.

Yannarelly: it is a guess; it is all it is without a Code Compliance Inspection. 740 square foot footprint, how much would you think.

Hovis: and there's a wide spectrum of what rehab means.

Yannarelly: right. We have a guy who buys so many of these, someone who does this for a living. There are people who have crews ready and know how to do it.

Hovis: when would you go to Council to make that recommendation? Would you be willing to give the State time to see the new interest is? It isn't my decision, obviously, but I can let the team know so they can make an informed decision of the listing price.

Moermond: we'll continue this to May 23, Council Public Hearing May 24. The Council meeting is at 3:30.

Hovis: I think that should work for the State.

Moermond: right, and at this time I am inclined to recommend removal of the property. It is a large parcel and there are new designs which may take advantage of the fact it is on a hill.

Hovis: our goal is for it to enter as an affordable home for families to live in. That is our goal as a State Agency.

Referred to the City Council due back on 5/24/2023

10:00 a.m. Hearings

Making Finding on Nuisance Abatements

| Legislative Hearings | | Minutes - Final | April 25, 2023 |
|----------------------|---------------------|--|----------------|
| 3 | <u>RLH RR 23-18</u> | Fourth Making finding on the appealed substantial abatement or 318 EDMUND AVENUE in Council File RLH RR 21-11. (Public h closed and laid over from April 26, 2023) | |
| | | <u>Sponsors:</u> Balenger | |
| | | Remove within 15 days with no option to repair. Forfeit both \$5,000 performar deposits. | ice |
| | | Aychoeun Tea, mother of owner, appeared | |
| | | Moermond: I understand you slept through the hearing you missed last time, s happy to have you here today. | so l'm |
| | | Building Inspector Clint Zane: we found it to be about 50 to 55% complete. Th ins have been done, any framing and insulation has been completed and insp There is a deck with a separate permit and that has been built and footings in that has been done. I didn't have that as part of our inspection but it did look compliant when I was out there. | ected. |
| | | Moermond: was the deck on the Code Compliance Inspection Report? | |
| | | Zane: yes, repair to code. | |
| | | Moermond: so it was falling apart and needed repair. | |
| | | Zane: she went above and beyond what we would have asked. | |
| | | Moermond: what is going on, Ms. Tea? | |
| | | Tea: the plumbing will be done today. The lights and sink go in by tomorrow. I need to do to finish the inside. Hang the light and the kitchen needs a sink an countertop. The bathroom will be done by today. | |
| | | Moermond: you made a commitment to the Council with the work plan that sa be beginning and finishing the doors, kitchen, bathroom lighting and siding rep week of January 6. We are sitting here April 25 and it isn't done. Why not? | - |
| | | Tea: people haven't wanted to work, since it has been cold. | |
| | | Moermond: isn't your property heated? | |
| | | Tea: yes, he said he would come turn the heat on the 27th. | |
| | | Moermond: of what month? | |
| | | Tea: this month. | |
| | | Moermond: why wasn't it on in January when you promised it would happen? | |
| | | Tea: the heating inspector told me he didn't want me to turn it on. | |
| | | Moermond: Mr. Zane, can you talk about the situation in these cases? In term people working in heated property and open walls, can someone turn the hea | |

certain things are done? To work in a heated property?

Zane: one hundred percent.

Tea: the sheetrock and he didn't want the heat on due to the dust.

Zane: who?

Tea: the heating inspector. I said I would clean up, but he said no.

Zane: you needed what done?

Tea: all the sheetrock had to be done.

Moermond: and if I asked the inspector he would say that? This sounds like you are stretching the truth.

Tea: it is truth. I had to use a generator.

Zane: I'm having a hard time understanding the scenario she's trying to describe.

Tea: I used a kerosene heater.

Zane: because you couldn't turn the heat on because you needed to wrap the ducts with insulation. Why didn't you do that insulation on the pipes he asked for?

Tea: I did. He didn't allow me to turn it on

Zane: he said you couldn't turn it on until you did something?

Tea: until I finish.

Zane: finish what?

Tea: the sheetrock.

Moermond: what about your contractor, General Heating and Air? This seems like something they would do.

Tea: he said he would come the 27th.

Zane: that doesn't sound right to me. I haven't heard of an inspector not saying you can't turn the heat on because there wasn't drywall.

Moermond: and we don't believe you. We have been at this for 2 years. When we last spoke, December, you were at 45%. Today you're estimated to be at 50 – 55%. The entire process has been this way. Plan after plan after plan to the City Council and me telling us when you'll do the work and when it will be complete and none have been true. You committed, you promised, you failed. Now you are telling us something we've never heard and we've been doing this a long time. I can ask Mr. Zane to follow up with the mechanical inspector, but you are saying you couldn't do anything at all because it was too cold. This is your son's property. We haven't seen or spoken to him, ever. I'm coming at it from a perspective of—and this isn't our first interaction—you have been through this on other properties, performed in a similar fashion. I have given you break after break on those properties, on this property. You know what needs to be done,

feigning ignorance when you said you'd be done. The consequence is losing the full \$10,000 Performance Deposit posted and the demolition of the property. That is where we left things in December. You've only made small improvements since we last spoke. Why should I trust you? Where are your contractors? What is your commitment? How can you prove to me you can do this? You have the opportunity, but help me out here.

Tea: 55% isn't right. That would mean no sheetrock. Sheetrock is one, electric is one. Plumbing finished except for the counters. Last time the plumbing, heating, electric were not done. He will turn it on April 27th. He said when I am done with the counter he will come in 2 days. Now he said he is busy, he cannot come. I told him he puts me in trouble. This was a month ago when I showed him the picture. He said he had a family emergency. I asked him to send a letter saying why you couldn't come. Please. I need a note.

Moermond: you said all of this would be done in January. So even a month ago you had broken your deadline. Ms. Zimny sent a letter April 14 saying you needed updated letter and updated financing. What do you have?

Tea: I think-

Moermond: where is your work plan? You've done numerous ones. I know you know how to do it.

Tea: the lights being hung.

Moermond: I don't want a verbal plan. I want something in black and white. Right now, the best you can hope for is the Council takes \$5,000 and gives you 2 weeks to finish, if you aren't done, I will recommend the other \$5,000. You have the potential of having the house knocked down as well. You don't give me the new financing. You don't give me plan for getting out of this mess. It was to be in last week. You have failed to do those most basic things and you are expecting me to bail you out in front of the Council. I'm not going to do that.

Tea: I can not say he has the money to pay, he owes me the money.

Moermond: you showed me an account balance of \$17,000 that you said, your son signed, that the money would be spent for the rehab of this property. If you say you don't have the money then he lied and you lied.

Tea: that was used, \$15,000 for the heating.

Moermond: you said you only had \$2,000 you needed to spend. You needed to show more money. You showed \$15,000.

Tea: I paid \$15,000.

Moermond: so the bid you showed me isn't accurate. I've looked at 3 bids over time and your are telling me those weren't accurate and I cant trust your ability to interact with contractors to get this done.

Tea: the people who did the bid wanted \$20,000. I've hired this guy, a different company. The one who came and talked to you, he isn't working. He said he wanted more. That Don guy. He was taking too long. Six months and he just started. I had to

pay and hire someone else. He finished a couple of weeks ago, but he has to wait for everything to be done to turn it on. My son had the money, it was already used. I brought him one time to see you and you were in a meeting.

Moermond: I'm not going to meet with your son on the fly. We meet in the hearing room. You know how this works. You understand the expectations and you haven't respected me or the process—

Tea: please, don't say that.

Moermond: every time you bring me something it turns out to not be true.

Tea: everything goes up and up. I had to finish for him. He's been sick. He hasn't worked in years. He can pay me later, whatever, I don't know what the problem is now. I don't think 55% is fair. I just have to put the lights on.

Zane: you have a lot of work left to do there.

Tea: I'm close to done.

Zane: you have flooring, lights, receptacles, doors—a good amount of work to be done. I believe that to be a fair assessment.

Tea: I don't think it is fair. To do the lights, plumbing and electric isn't finished, lights don't take a long time. 85% is fair.

Moermond: where's your work plan to show me that?

Tea: I don't have it because it is almost finished.

Moermond: so you decided you didn't need to respect the process. You say you are farther along, but you didn't respect the process in writing to show me where you think you are at.

Tea: I just need the lights. I forget a lot. I called electric and plumbing to come and inspect. Heating comes the 27th to turn it on and finish his job. That's really close.

Moermond: how long before it gets done this time?

Tea: I don't want to lie anymore. I will finish sooner because everything outside—the garage door is in. the windows and framing are done nice.

Moermond: my recommendation in front of Council tomorrow is demo of the property and forfeiture of your entire \$10,000 Performance Deposit. You were told if you brought in a work plan and evidence of financing we could be talking about something else. You didn't bring that in. You are just telling me things. Not demonstrating you can actually finish this. I don't have anything to back up a recommendation saying Ms. Tea can get it done this time. You aren't helping me help you at all. I have gone to bat for you more than dozen times. I'm kind of done.

Tea: I have been working hard. I had to depend on the contractors. They didn't care because they got paid already.

Moermond: they pulled their permit in October of 2022. That isn't the bid you showed

me, first of all. Okay. But they have held that permit for over 7 months. Most permits expire after six months, don't they?

Zane: that is true.

Moermond: it is extraordinary the mechanical permit is open still. We don't see this in other properties. Why yours is different I don't know.

Tea: I am not lying. You can call the inspector to talk to.

Moermond: you've been doing this a long time. Your contractor could have talked to the inspector. Yes, we'll get a report from the inspector and that will be part of the record.

Tea: that one inspector and heating together. He didn't say anything. He told me he didn't want to be in trouble. That's what he kept saying. I had to be cold all winter. I said why are you in trouble asking for heat. He isn't helping, he just said he doesn't want to be in trouble. I cannot say my son has money, if you want me to show from my account, I can do that.

Moermond: you insisted four months ago you wouldn't put any (of your own) money into this, it was your son's property, that you were done putting your money into it. It has changed now?

Tea: I don't want to have to do it, but he has no choice.

Moermond: you can go to Council tomorrow and plead your case and unless you have a good work plan, with contractors, showing if they are paid, how you will finish paying for the project. The best work plan you have ever done, no longer than 90 days. I've given you breaks before on 'loosey goosey' work plans, knowing you have trouble doing some of these things. I want to help, but you make it so hard. You came here today without anything when this letter Ms. Zimny sent you, highlighting the expectations in red, bolded. There is no confusion about what you are supposed to have done. You ignored it. You can tell the City Council why they should help you at this point. If you have the money and a plan, I will---and it better be an acceptable plan, a good plan—the best you can ask for is I ask them to only take \$5,000. That is happening.

Tea: if he has no money right now. That is money he owes me. That \$10,000. I need to do paper that he owns me to finish this. What do you want me to do, it is his house. If I put my account? He has no money in his.

Moermond: your account would show the money. The affidavit would show money committed to the project. I would be thinking about it in terms of the public testimony you gave saying you weren't willing to put money into the project. That is super hard. The \$17,000 is gone. You told me last time you just needed \$2,000. I'm really struggling to figure out how these pieces fit together. You need to put this in writing. I won't do it on the fly. Take the time from now until tomorrow figure out your plan. You know about organizing the money. The affidavit. None of that is new. We've done this many times. I'm so disappointed you are giving me nothing at all to work with and blaming others for this when you have been the manager for this thing for 2 years. This is not acceptable at all.

Tea: can I ask you a question about my account? I only have a saving account. Are you asking the bank? The savings is for my—you know.

Moermond: money in a savings account can be used for this, you'd need to sign an affidavit saying you will dedicate it. Are you saying you don't have the money?

Tea: I have \$20,000.

Moermond: where are your bids? How much have you paid your contractors? How much do you still owe? Those things show me how much money you need to finish the project. If you paid the mechanical contractor half down, then I know you need the money to pay the other half. Your bid would tell me that. Not hard.

Tea: the heating already was paid—

Moermond: I don't want to hear it verbally. Write it down. Prove it as I asked you to do. Any other questions?

Tea: no.

Moermond: we'll see you tomorrow.

Tea: one more question. He's coming on the 27th for the heating.

Moermond: put it in the plan, we'll see if it is accessible.

[Ms. Tea's phone rings]

Moermond: ok. See you tomorrow. Work on those things so they are worth consideration.

Tea: ok thank you. Can I have paper?

Vang: you need to go to the front desk and talk to Racquel.

Referred to the City Council due back on 4/26/2023

4 <u>RLH RR 23-11</u> Making finding on the appealed substantial abatement ordered for 733 FAIRVIEW AVENUE NORTH in Council File RLH RR 22-28. (To refer to April 25, 2023 Legislative Hearing)

Sponsors: Jalali

Layover to LH May 9, 2023 at 10 am for further discussion and update on permit status.

Moermond: the update on 733 Fairview North, Mr. Zane you are going to following up on the inspection end of things. Mr. Skliris had concerns he wasn't getting inspections when he needed to and you looked into it. What did you find?

Building Inspector Clint Zane: many inspections not completed. History of lack of inspections. There are items that should have been inspected that are now covered, so we are now going to have to open up walls to do some of those inspections.

Moermond: you put together a report and copied our team on an email asking for the owner to make himself and his contractors available to meet with the trades inspectors on site to go through the Code Compliance Inspection on what has been signed off on and what hasn't.

Zane: total of five inspectors on site at the same time, that hasn't been scheduled yet, we are waiting for him to get back with me after coordinating with his contractors.

Moermond: we'll need a new work plan based on that inspection, possibly new bids, any additional funds made available to address the items.

Zane: there will be additional costs once they open walls, yes.

Moermond: when we talked a couple weeks ago you said less than 50% with the trades permit issues. No concrete knowledge things were done. When you go back can you figure out a percentage based on what you see, as a basis for having another \$5,000 posted. If it is less than 50% when you have eyes on it. We'll continue this to May 23 and sort it out then.

Laid Over to the Legislative Hearings due back on 5/23/2023

5 RLH RR 23-20 Making finding on the appealed substantial abatement ordered for 1803 IVY AVENUE EAST in Council File RLH RR 22-42.

Sponsors: Yang

Grant additional 180 days and continue \$5,000 PD pending submission of updated work plan & financing to complete the rehab.

Joe Steinmaus appeared via phone

Building Inspector Clint Zane: I didn't hear from you as far as getting together for a progress inspection. We were hoping to have that today.

Moermond: no number on progress.

Zane: that's right.

Moermond: and we use that to determine whether or not to continue the Performance Deposit or whether it should be forfeited. Plus, it is helpful to know for process.

Zane: all permits have been pulled for trades and building. Inspections have been done on each of them, rough ins done. Outside of that I can't speak to much. No finals, obviously.

Steinmaus: we're halfway at least, going full bore on it. We just finished 1011 Burns. Waiting for finals on that. We put our energy in that, now we're doing this. Hamline is half done. 771 Iowa will be done in a week.

Supervisor Joe Yannarelly: no problems at the property except for the garage collapse of the roof, and Mr. Steinmaus has taken care of that.

Moermond: that was a result of snow? Any trees involved?

Yannarelly: just the garage.

Moermond: so that's gone. Sounds like you are making good progress. Your Council Public Hearing is May 10th. I know you have a lot of irons in the fire, what are you

thinking about May 10th?

Steinmaus: we should be 75%, almost finished by May 10

Moermond: get me an updated work plan showing where you are at and you can update some of the dates.

Steinmaus: absolutely.

Moermond: we do need Clint to formally make a finding we can call it more than 50%, so he needs to do that walk through. If you can find an appointment time, I don't see a problem to ask the Council to give you an additional 180 days to cover all bases.

Referred to the City Council due back on 5/10/2023

6 <u>RLH RR 23-19</u> Making finding on the appealed substantial abatement ordered for 1457 THIRD STREET EAST in Council File RLH RR 22-24. (Public hearing continued to May 10, 2023; Legislative Hearing on May 9, 2023)

<u>Sponsors:</u> Prince

Continue CPH to May 10, 2023, LH May 9, 2023 at 10 am. Property Owner or Rep to submit: updated bids, work plan, updated financing, affidavit, and power of attorney o/b/o owner. \$5,000 PD forfeit; new \$5,000 PD must be posted by COB May 5, 2023.

Dale Savasten, o/b/o owner Carl Berger, appeared Jodi Savasten, niece of owner, appeared via phone

Dale Savasten: I want to thank Joanna for reaching out to us. It started a long family unraveling. In a good way. Getting elderly people brought up to speed. It has been a long road, and unfortunately this ends up being one of many properties we came to find out he owns.

Moermond: do you now feel like you have a good handle on the properties he owns?

Dale Savasten: we're 50/50. We have all the taxes paid finally. It has been difficult. He's had some health issues and memory loss issues which comes with a lot of defensive questions about what we are doing and why. It has been a struggle. I want to apologize for missing the last meeting.

Building Inspector Clint Zane: 0% complete.

Moermond: that being said, where I am at with the situation will be trying to find out why were at zero, how we right the ship on this, and the consequences in terms of the Performance Deposit. I'd like to walk through the plans and financing you have. In this case, because I know you are acting on behalf of Mr. Berger, what I have seen in the past when people aren't great at making day-to-day decisions so someone else is making the decision on the rehab so we aren't hitting walls and everything sits for four months because they said no. Maybe a project manager and some sign offs from Mr. Berger saying yes, this person can make decisions. A lot of times that is a power of attorney. Mr. Berger can set some parameters.

Dale Savasten: funds have been the hard part to get.

Moermond: we will need to segregate funds so he's not making decisions on what

lumber costs today.

Dale Savasten: since last August, we cleaned the house. We're on our third 40-yard container. Meeting with contractors. We removed every piece of remodeling that was back to 2016. A clean slate. That brings me to the end of October. We had big numbers. In the meantime, I'm asking every contractor for their assessment and come to find out the electrical, plumbing, isn't a huge number but what was a big number was the driveway, retaining wall and steps up to the house. My wife is realtor, we are going to sell it, we have a budget. I couldn't get a straight number out of any concrete contractor over the winter. My fault. My mistake, I didn't report that.

Moermond: I don't know it would have made a difference at this juncture anyway, so I appreciate the intent, but we're here, we're sorting it now.

Dale Savasten: we stopped until we could get real numbers. Which we did. We tried to pull a permit but couldn't since we're past 180 days. We are trying to be done by end of May so we can get it off your books and out of our lives. The big things were the retaining wall and planter falling off the front of your house.

Moermond: what is the concrete looking like?

Dale Savasten: \$30,000. Most of the budget. We're leaving the basement unfinished. Bring it up to code and fixing the brick veneer. That is the plan.

Moermond: we have a bid from outdoor living solutions \$17,400. Is there another bid?

Dale Savasten: I do have more bids, but he's the lowest.

Moermond: so *it is not* \$30,000, *it is* \$17,000?

Dale Savasten: that's just the retaining wall. It is on the spreadsheet, but I don't think I included the bid. Electrical went from \$24,000 to \$2,400 bucks. Once I got a clean slate there wasn't much there.

Moermond: one of the things I would like to see in the bids is some statement that your contractor is addressing items on the Code Compliance list. The Karpe mechanical bids say furnace and duct work, which are the big things, but are there other small things on the Code Compliance list.

Dale Savasten: we removed all the duct work. We're trying to get a house back to do the super hard stuff that no one would do the stuff a first-time home buyer could do themselves. Get the bones and the Code Compliance Inspection list done and move on. We removed all the windows. They were all installed improperly. Reinstalled. I didn't get contractors pulling permits until they could be efficient at what they could get done, which is my fault. Unfortunately, we are having to do some things ourselves, which means it takes longer to get done quickly. We've gutted the kitchen. All the electrician is doing now is updating the bathroom and kitchen to code, replacing all outlets. Xcel energy is going to raise the power lines out back, they're sagging. New ground rod. That's it for electrical. He figured it would take 2 days to complete.

Moermond: Mr Zane, the Code Compliance has laundry list of things, with a partial demo and a bid that doesn't match the Code Compliance inspection report. How does the electrical team evaluate that permit wise?

Zane: as long as the items in the Code Compliance list are addressed.

Dale Savasten: instead of fixing the plumbing, we just removed it.

Zane: so you're going further than the Code Compliance report is asking you to do?

Dale Savasten: the whole basement was completed, but none of it was to code. We just removed it all, we're not putting it back.

Moermond: confirming, not fixing it, just gone.

Dale Savasten: just capping it, with an unfinished basement.

Zane: that's allowable as long as it is capped in a Code Compliant manner.

Dale Savasten: that's how bids came way down because they did not have to fix anything.

Moermond: sure.

Dale Savasten: these were the original contractors, we had honest conversations with them about what they would do in our position. We just did that.

Moermond: so this isn't an accurate work plan in terms of who you are using now and commitments from contractors. If Pure isn't doing work, it should be gone from your work plan.

Dale Savasten: I'll update those.

Moermond: you have April 18 as a start date for Karpe. So we need current bids, updated work plan, we have the money. We do need a power of attorney in this case. Just so that you two have clear decision-making authority and he can cap the amount. He can have some parameters, but that's what was throwing you off in round one, so I would look for that so we can not have it happen the next round. I'm going to ask the Council to forfeit the \$5,000 Performance Deposit and he has to post a new one. They could ask for 10. I'll just ask for 5. You could testify and ask them to continue it. Because you're at zero percent, that is where I'm at. Anything under 50% the building official's team can't do an extension. If you were at 40%, I would recommend they continue it and maybe ask for another \$5,000. But his reticence to accept increasing costs has cost him \$5,000.

Dale Savasten: that's fine. I get it. And I look it as cash in, if we went with original bids, we're still coming out ahead. Half a dozen of this, a dozen of another.

Moermond: how long would it take for you to talk to an attorney about drafting a Power of Attorney. Ms. Savasten, any comments or questions?

Jodi Savasten: no questions, I'm just listening. I agree with everything. We both have full time jobs, kids, and another aging parent we're taking care of. Trying to get approval from my uncle, a Power of Attorney may be helpful.

Moermond: we'll put that in writing so he understands why you are asking for it, that it is a condition for fixing the property up. It isn't a 'would you please', it is 'you have to.'

Jodi Savasten: right, no problem.

Moermond: you have start date and complete date on a tight timeline.

Dale Savasten: we need it out of our lives.

Moermond: I need to make sure you have more than adequate time to do that, I'll recommend the Council gives the full 180 days. If you finish in 8 weeks, you are done and don't have to worry about it. But if things go sideways you have some time to handle it. I'll put this to talk about on May 9th. If you have something this week that passes muster you can pull permits then. If you get the POA, bids and money all lined up, we won't wait until Council to give that time to issue permits.

Referred to the City Council due back on 4/26/2023

1:30 p.m. Hearings

Orders To Vacate - Fire Certificate of Occupancy

7 RLH VO 23-17 Appeal of Curtis Persson to a Fire Certificate of Occupancy Revocation and Order to Vacate at 1436 SNELLING AVENUE NORTH.

Sponsors: Jalali

Grant to May 12, 2022 for compliance with items 28, 29, and 31. If those conditions *met*, grant to June 23 for balance of the orders.

Curtis Persson, owner, appeared via phone Carol Persson, owner, appeared via phone

Voicemail for Melissa Bardwell at 2:40 pm: this is Marcia Moermond from St. Paul City Council calling you about 1436 Snelling and a work plan to get the items done on it. We'll try reaching back in a moment.

Tried calling Curtis Persson at x6283 at 2:00 pm – call dropped.

Moermond: are we calling your son in?

Curtis Persson: I don't call him in.

Moermond: no, we call him in. I was just asking if you wanted him to be called in.

Curtis Persson: I wasn't expecting your call today.

Moermond: we sent a letter.

[Curtis Persson is disconnected at 2:40 pm and called back in after leaving Voicemail for Bardwell]

Moermond: we just tried reaching your son at Melissa Bardwell's number that was the number on his appeal.

Curtis Persson: do you have Pete's number?

Moermond: we'll try that number.

Voicemail left for Peter Persson at x9448 at 2:44 pm: this is Marcia Moermond from St. Paul City Council calling you about you a hearing on your house and the work plan for getting things addressed. We also left a message on Melissa Bardwell's line and have your father one the line as well.

Moermond: Mr. Persson, I was looking at the plan you put together. Do you have a copy of what you sent to us?

Curtis Persson: no, we don't. I think I remember what I put down.

Moermond: I wish you would have kept a copy. You didn't tell us when you were going to be doing a fair bit of the work. You gave us the week of the 2nd and then the 17th and then left the rest blank. We need more than a blank. That's how we figure out deadlines.

Curtis Persson: you don't have that because how do you know? We're trying to get people in. People are all booked up, and we are trying.

Moermond: what is problematic about what you are saying is you have a timeline for when Mr. Erickson is coming but you're saying something different.

Curtis Persson: sometimes they come out and do a couple of things and get a better job and leave.

Moermond: that's not what I'm saying. I am saying you didn't give me deadlines for a bunch of the items. They are items where Peter was going to do the work. So no one is coming in, Peter is doing it and I don't know the timeline for him doing it. He isn't going to have the same issues as bringing in an electrician. Also, the Quick Turn people will give a deadline, you just have to ask for it.

Carol: Curt had someone down there, trying to figure out if they need a permit. [silence and then disconnected at 2:48 pm]

Moermond: electricians should know if a permit is required. There are two ways to demonstrate electrical compliance – a permit being finaled, or if a permit isn't required, to show the receipt that the work has been done. Mr. Imbertson, items 9 and 10?

Supervisor Mitchell Imbertson: it depends on what they do to fix the items. I didn't trace the wiring in the basement, so it is possible it isn't needed so it could just be disconnected and removed, it may not need a permit. Rerunning the wiring would need a permit. So, it depends on what approach they take to fix it. It does need to be done by a licensed---

[Curtis Persson disconnected at 2:51 and called back in]

Moermond: we've never had this happen before-

[Curtis Persson was disconnected again 2:52]

Moermond: I think we just need to give up and communicate by mail.

[Curtis Persson called back in at 2:58]

Moermond: May 12 is your deadline for items Grant to May 12, 2022 for compliance with items 28, 29, and 31. If you meet that deadline you will get to June 23 to finish all the other items. Any questions before we lose you again?

[silence and Persson is removed from call]

Referred to the City Council due back on 5/10/2023

8 <u>RLH VO 23-12</u> Appeal of Brian Norelius to a Revocation of Fire Certificate of Occupancy and Order to Vacate at 842 VANDALIA STREET. (To refer back to April 25, 2023 Legislative Hearing)

Sponsors: Jalali

Layover to LH May 9, 2023 at 1:30 p.m. (PO unable to conduct hearing).

Brian Norelius, owner, appeared via phone

Moermond: let's summarize what we were looking for, maybe we can talk next Tuesday. Mitch Imbertson is on the line and we were looking back at the preliminary plan you submitted. Today we were going to look at a finalized version of that plan. We checked permit status to see how that aligns with the plan.

Supervisor Mitchell Imbertson: looks like it is in the plan review status at this time. I'm not directly part of those conversations, so I don't know the conversations had with your architect, but it looks like they were looking for clarification or changes to your plan.

Norelius: I know Wynn went out to answer those questions, I know he's been on top of it. As far as I know, he said things were moving along for the permit. Is there something else for us to do?

Moermond: it says corrections required. I imagine John Skradski reached out to whoever submitted that. We also have warm air and mechanical permits pulled by Legend Mechanical. One has had a rough in and 3 others hanging out there without any inspections.

Norelius: for the exhaust air and the heat?

Moermond: yes, that is what it appears to be. That's the first section of your work plan. The work may be done but no inspector has been out. You all need to coordinate that.

Norelius: everything has been proceeding as far as I know. My father just passed away, so it has been a tough couple of weeks.

Moermond: we can push this a couple of weeks, to May 9.

Norelius: that would be fine, Friday is the finish line. I have too many things on my plate, that's why I passed it to Wynn.

Moermond: that's fine, we have what we need on our end for now. We'll talk in a couple of weeks.

Laid Over to the Legislative Hearings due back on 5/9/2023

9 <u>RLH VO 23-19</u> Appeal of Christina Harding on behalf of Lynn Huynh to a Revocation of Fire Certificate of Occupancy and Order to Vacate at 1146 EDGERTON STREET.

Sponsors: Yang

Layover to LH May 2, 2023 at 1:30 pm to discuss work plan and deadlines.

Christina Harding, property manager, appeared

[Moermond gives background of appeals process]

Moermond: you are the Certificate of Occupancy Responsible Party?

Harding: yes, owner is in California.

Staff report by Supervisor Leanna Shaff: we had an initial report of black mold December 12, 2022. Sarah Anderson inspected on December 13, 2022 There are pictures showing the condition of the property. Massive amounts of garbage in snow and yard. Full of stuff in the interior. Wrote basic orders. She had Travis Almstead with her, a senior inspector. I did speak with Ms. Harding and she expressed she was having difficulty with the tenant who was being evicted. We'd give them 90 days to get their stuff together between tenants, though I would want to see the property had been vacated. Inspector Anderson went out again on 1/31 and wrote the building was vacated, gave Ms. Harding time to turn the property. Basically, at the end of March we hadn't seen much movement and no plans for taking care of the building, per se. All the deficiencies. We'd been promised it was going to be taken care of to be inspected and that time came and went with no plans, nothing. As per our earlier conversation gave it a reinspection date and if not taken care if would be referred to the Vacant Building program. This is a duplex with one person living there, and we were concerned about not displacing that person.

Moermond: unit 2 is occupied?

Shaff: 2 is the one with all sorts of issues.

Moermond: nothing in orders about unit 1.

Shaff: Anderson was in unit one and didn't note any deficiencies. A lot of it is exterior issues. A lot not done in a professional state of repair. We have a portion on the back of the building that is coming apart. I have concerns about it continuing to be occupied. The last email from Ms. Harding said they were going to tear off the back of the building. I have concerns about it still being occupied with that going on.

Moermond: is that connected in any way to the rear porch?

Shaff: no there are a couple of entry porches. You can see the deterioration in the photos.

Moermond: so, the biggest concern is that back area?

Shaff: that is a big concern, but the state of the rest of the building, there's even a window on the back that the framing around the window has rotted and basically has a piece of wood under it to prop it up.

Moermond: I do see orders on the exterior. Code Enforcement did that?

Shaff: the people who moved out had junk everywhere inside and out. Then it snowed but no one had bothered to clean up, tenant nor property manager, so things got frozen in. There was a Summary Abatement Order but there were still things there surfacing as the snow continued to melt.

Moermond: you had until today to get the back yard cleaned up.

Harding: it is cleaned up.

Moermond: number 19 jumps out at me as being the most concerning. We need a plan of action there.

Shaff: and we've received nothing.

Moermond: you talked about needing an extension, tell me what is going on.

Harding: there were 10 items on the first orders, and now 24.

Moermond: complaint came in, investigated, small number of items, but that complaint triggered a full Certificate of Occupancy inspection.

Harding: I've been through hell and back with these tenants. No rent except for the first month. They were drug addicts. They were walking down the alley picking up metal and bringing it back. They threatened to shoot me for coming on and taking their stuff. They even took the doorknobs because they were brass. A majority of the interior items are done. There was supposed to be a permit pulled yesterday and the back will be pulled tomorrow. No one does structural engineering on a residential. That is the major thing, we agree. I did have a construction structural engineer come out and tell me it does need to come off. So, we're going to do that and repair the siding and electrical work. I thought we could keep the porch, but they were going to assess after the bedroom came off, but it sounds like that needs to come off too and just put stairs on. We had a disagreement on the phone and she threatened to take my Certificate of Occupancy and I lost my cool. I'm just here for more time. I hired my contractor; I realized I hired him a couple years ago and he screwed up that job. I haven't signed that contract. He hasn't pulled the permit yet. I just got another bid from a contractor who can start immediately too. But we agree, it has to come off. It would cost way too much to replace it. I spoke with her insurance about the roof, and Liberty Mutual goes 5% on the value of the property, so they want \$25,000 deductible. And then when I made Leanna made she added all that other stuff on there.

Moermond: and to clear that up, it was round three in the orders. It is a class C property. I don't know it wouldn't have led to friction, but I don't know it was retaliatory if it was due.

Harding: she just bought it not too long ago too. I advised against it. We're just going to get a new renter in and then I won't be managing for her anymore.

Moermond: it had a class A rating in 2019.

Harding: I think she owned it back then. These tenants did all this damage.

Moermond: not all of it.

Harding: I think it was lipstick on a pig to sell to her, she should have never bought it. I couldn't believe how bad it got.

Moermond: so, they painted bad wood.

Harding: the rotten window is on that bedroom so once we take the back off and fix it, everything else is done. The window was fixed at the last inspection, I'm not sure why didn't take that off. Tenants weren't out until January, she tried to find the money to fix it. There were squatters in the downstairs unit and had to repair 2 or 3 times. I was going over every day. Trying to find the money was a problem. I had a maintenance guy who never showed. That's where we are at.

Moermond: I'd like to see a work plan. A tallish order here. What's the plan for getting out from under it. I get you had tenants, but it times out we did know there were issues with problems. Months have passed.

Harding: all the exterior issues weren't on the first report.

Moermond: and it wouldn't have been because it was based on the complaint.

Harding: I've only had 23 days to repair the entire exterior. Can I have another 60 days so the whole exterior is taken care of?

Shaff: I have concerns about tearing off part of the building if it is occupied.

Harding: she has a front entrance and several accessible windows, they said the back would take a day, and then we'd have stairs. I don't want to displace her, she has nowhere to go.

Moermond: what can you do in terms of a plan for me, in terms of tackling the items. You did get your full Certificate of Occupancy triggered, that is a fact. We have the original items in this set. A plan is helpful, a particular bid. I'm concerned about the money not being there

Harding: she has it now. She has no choice or she's going to lose her Certificate of Occupancy.

Moermond: I won't say yes to 60 days without benchmarks and expectations. Lay out for me when you think –

Harding: I'll be done in 2 weeks.

Moermond: you just said 60 days. Here's the thing, if you fail, that's why I'm asking for a plan so we have something concrete. I don't want to set you up for failure. Let's get a plan of action, have us all look at it.

Laid Over to the Legislative Hearings due back on 5/2/2023