



City of Saint Paul

15 West Kellogg Blvd.
Saint Paul, MN 55102

Minutes - Final

Legislative Hearings

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Thursday, January 2, 2020

1:30 PM

Room 330 City Hall & Court House

1:30 p.m. Hearings

Fire Certificates of Occupancy

- 1 [RLH FCO 19-127](#) Appeal of Ron Staeheli to a Correction Notice-Reinspection Complaint at 358 ARBOR STREET.

Sponsors: Noecker

Lay over to LH January 14, 2020 at 1:30. PH February 5, 2020.

Ron Staeheli appeared

Moermond: I will note you have sent a piece of information, an Xcel energy bill, in the last few minutes.

Staff report from Supervisor AJ Neis: this is a Fire C of O referral inspection due to a complaint our office received October 2, 2019, the nature of the complaint was the lower unit was cold and landlord wouldn't turn on the heat. I can't legally divulge complainant information on who made the complaint. Inspector verified there was no heat, a few days later got the heat turned on, and while doing the inspection Inspector Her Vang was confused about who lived in the lower unit. In talking with the occupant, and to be clear I'm not saying they were the complainant, the inspector's notes say talking with the tenant regarding the garage, the property owner was renting out the garage to someone, there is history at this property of that, no one was to sleep in the garage. I saw a note that the inspector questioned the person and confirmed the owner didn't live at the property. I contacted Saint Paul Regional Water and Ms. Staeheli was mailed a bill in July of 2019 and it was returned back to Water in August, and the mail return stamp said send to 4300 Blackhawk Road in Eagan. The October 2019 bill was mailed to the Blackhawk road address and a partial payment was made on December 17. So, they are clearly getting mail at that address, the fact when it was sent to Arbor and got mail returned is interesting. I saw a note the inspector mentioned when they sent something to Ms. Staeheli at Arbor it was returned mail as well, but went through to Blackhawk Road in Eagan. This isn't anything new, we believe the Staehelis aren't residing in the properties at 358 Arbor, or for that matter 633 Palace, but they continually try to skirt the system to avoid being inspected. I have an email from Therese Skarda, the City Attorney, I'll read on record: On January 22, 2020 and spoke with Joann in the Ramsey County Property Tax records Homestead Department. She conveyed the following information: 633 Palace is owned by Diane Staeheli, the

property is non-homesteaded. 358 Arbor is also a non-homesteaded property, both parties appear to be owners. The mailing address for communication is listed as 4300 Blackhawk Road, Eagan MN 55122. As non-homesteaded properties, I believe these should both be in our Fire Certificate of Occupancy program, or our Vacant Building program if they are not occupied. I then called Dakota County for more information on 4300 Blackhawk Road, the owners are listed as Ronald and Diane Staeheli. The property has homesteaded status of a fractional, and Dakota County believes that Diane lives there. She did appear on a duplicate list in 2014, they are escalating this to a supervisor, and she may need to provide information on where she is residing and has resided in case tax corrections are needed. I also recall they have a residence in Florida, I will be checking on my recollection and make sure they let the supervisor from Dakota County know this if they can find the information." Furthermore the drivers license provided to Inspector Her for Ms. Staeheli appears to be long antiquated, they haven't used that style in years.

Moermond: and I don't have that attached to the system. Will you plug into the system?

[photo of driver's license shown]

Neis: typically, when people submit this information, they redact the drivers license number, not the expiration date. Interestingly, that was the only thing redacted. All the records state that Mr. and Mrs. Staeheli aren't residing there. We request proof they are living at Arbor and Palace.

Moermond: today Arbor is what we're talking about, and you started out by saying there was a complaint on October 2, that there was no heat and it was investigated and a letter went out at that point? And that isn't the letter that we're looking at today, from November and I'm assuming the heat was abated and that this was identified by the department as one you thought you should put in the Fire Certificate of Occupancy program.

Neis: Correct. The first complaint was handled just by telephone to schedule the inspector. The property owner let them in and confirmed the heat was on. That tenant had said the upper floor was a rental unit as well.

Moermond: was there a letter associated with that October complaint?

Neis: no, no letter generated in October.

Moermond: this says correction notice reinspection complaint, so that's just kicked out after you have contact?

Neis: yes. The letter went out later on, and Her Vang and consulted with me about not believing the owner isn't living there. We naturally send out the correction letter notice saying you need a Certificate of Occupancy.

Moermond: Mr. Staeheli, you wrote in your appeal "call or email if documents will settle without hearing. Owner-occupied duplex, documents sent to enforcement officer, utility bill and ID listing address." You also emailed an Xcel bill with a due date of October 24, that lists Diane Staeheli's address as 358 Arbor. We just heard testimony on 358 Arbor having returned mail for the water utility and at least one letter from Fire Inspections.

Mai Vang: there's also an updated drivers license.

Moermond: you are appealing the requirement that this property be placed in the Fire Certificate of Occupancy program because its non-owner occupied. You're saying that it is?

Staeheli: it is owner occupied.

Moermond: tell me a bit about that.

Staeheli: Diane lives there. She gets mail there, her drivers license is there. I don't know what other information you need.

Moermond: can you tell me why it isn't homesteaded if that's where she lives?

Staeheli: because homesteaded doesn't make any difference anymore. There isn't any money in it, it's a hassle that I've never bit off.

Moermond: can you tell me why Ramsey County taxes believes your address is in Eagan?

Staeheli: because I do have an address in Eagan. That's where I office out of.

Moermond: well, actually, her address is there too.

Staeheli: well no, I manage the properties out of an office in the building at 4300 Blackhawk Road.

Moermond: this isn't a residential property?

Staeheli: it is, actually its zoned agricultural I think, but there is an office at 4300 Blackhawk Road where I manage rental properties.

Moermond: so you don't sleep there at night? Its not a home with a home office?

Staeheli: no.

Moermond: this is not your home?

Staeheli: No.

Moermond: but its homesteaded.

Staeheli: partially homesteaded because we used to live there.

Moermond: is that right. But you don't live there now, but you still homestead it?

Staeheli: I've not done anything to change homesteading anywhere else. I haven't messed with it. It is a pain, its \$150 a year and I don't want to take time off to do it. It never seems like the right thing to do.

Moermond: and this tenant?

Staeheli: downstairs tenant, I don't get along with her. She says to send it to 4300 is

because that's where I tell them to send everything, because that's my office. That's where I deal with stuff like this, I don't want it in my real life.

Moermond: but it is addressed to Diane.

Staeheli: oh it doesn't matter.

Moermond: it kind of does. Why isn't she here, I'm wondering that too?

Staeheli: she's in Tampa with her boyfriend.

Moermond: this was rescheduled already, so you had an original hearing scheduled December 10, 2019. Per your request it was rescheduled to today, and she's not here to say what it is.

Staeheli: my name is on the correction notice, so that's why I'm here.

Moermond: and you're saying that your wife lives there. And you've said in the past you live at another property which was also supposedly a rental according to the people renting it, but that you were in the second unit there, and you're saying the same thing here. "This is a duplex and my wife lives in one unit."

Staeheli: My wife and I have been estranged for a long time, she's in Tampa with her boyfriend.

Moermond: and I guess I don't know where she's living, she could be living with her boyfriend for all I know.

Staeheli: if I can be specific, I believe Mr. Neis said he was looking through the notes for the place where the tenant said that she doesn't live there, all she said was to send stuff to 4300. That's how you get ahold of Ron.

Neis: I will say from past interactions dealing with tenants, I understand we are talking about the Arbor property, but the tenants are in fear of eviction as they have said to us in the past that the minute that the City has been contacted or a complaint is filed. They will gladly tell you under their breath that Mr. Staeheli doesn't live at the property however if it comes to putting it on record, they won't do that out of fear of losing their homes.

Staeheli: wait a second, that seems severely second and third-hand, that is hearsay to the extreme. You just said, "I am pretty sure that I think that sometimes the tenants might."

Neis: this is not a criminal court.

Staeheli: I understand, I just want to point out its probative value. She's also registered to vote out of that address.

Moermond: the tenant that lives there now, she still lives there?

Staeheli: yeah, I can't get rid of her.

Moermond: have you tried? Have you filed an eviction action?

Staeheli: no.

Moermond: are you sure?

Staeheli: I filed an eviction action, that was never filed because there was a problem with the payment, so it never got filed or served. She's been underpaying rent for the last year and a half. She's on Section 8 and we had an agreement with Section 8 that her rent would be increased and she refuses to pay her half, so we've been dealing with her on that, plus she likes the heat at 80 degrees, so she has a tendency of wrecking the thermostat and then calling the City about it.

Neis: as far as a history of calling the City, this is the only no heat complaint I see in the last year and a half. To be clear I'm not divulging complainant information.

Moermond: it was a no heat complaint.

Staeheli: that was repaired within three days.

[five minute recess]

Neis: just consulting with the City Attorney, they just spoke with Dakota County, they have Diane Staeheli is homestead Blackhawk road property. Mr. Staeheli was removed from the homestead in Eagan after he showed up on a duplicate report. It says that Diane is currently homesteading the Eagan address. All records indicate Ms. Staeheli is homesteading and residing there.

Staeheli: wait a second. Homesteading. End of sentence. The records say she is homesteading Blackhawk Road, you have no idea where she sleeps. I want that to be clear.

Moermond: anything else you want to say for the record?

Staeheli: nothing else. We'll have to go to the Council, she will have to come and she finds it really intimidating.

Moermond: I've spoken with her on the phone and she hasn't seemed intimidated at all.

Staeheli: oh no, but in person it's a different deal.

Moermond: she could have put something in writing for this hearing, that's an option as well.

Staeheli: I thought the drivers license and energy bill and my testimony was enough.

Moermond: I'm concerned that if you're saying that you have a less than amicable separation.

Staeheli: oh no, its amicable.

Moermond: Whatever, you are separated. I am concerned, I would want to hear form her directly. I am not feeling comfortable with this situation. It is such a strong parallel to what I saw on Palace that I feel suspicious about this to say the least.

Staehele: short of doing this in front of the City Council, would a reschedule where she can come talk to you or a handwritten letter, and lets put this off for a couple weeks? Until Saturday when she gets home? I'm not trying to be glib, I just mean at any time where its convenient to you after Saturday, so we don't play this out in front of the Council.

Moermond: I don't care if it plays out in front of the Council, they are the decision makers. Its up to you how you want to proceed. If she wants to come, lets set this up at January 14 at 1:30, lay it over until then, and then it goes to Council February 5. That will be the plan.

Laid Over to the Legislative Hearings due back on 1/14/2020

2 [RLH FCO
19-118](#)

Appeal of Stephen Mann, Mann Theatres, to a Reinspection Fire Certificate of Occupancy With Deficiencies at 760 CLEVELAND AVENUE SOUTH.

Sponsors: Tolbert

Rescheduled to January 14, 2020 at 1:30 per owner's request.

Laid Over to the Legislative Hearings due back on 1/14/2020

3 [RLH FCO
19-119](#)

Appeal of Stephen Mann, Mann Theatres, to a Reinspection Fire Certificate of Occupancy With Deficiencies at 1830 GRAND AVENUE.

Sponsors: Tolbert

Rescheduled to January 14, 2020 at 1:30 per owner's request.

Laid Over to the Legislative Hearings due back on 1/14/2020

2:30 p.m. Hearings

Vacant Building Registrations

4 **RLH VBR 20-1**

Appeal of Chris Samuel, Ramsey County Property Tax Forfeited Land/State of MN Trust Exempt, to a Vacant Building Registration Notice at 603 EDMUND AVENUE.

Sponsors: Thao

Recommendation forthcoming.

*Chris Samuel, Ramsey County Auditor, appeared
Trista MatasCastillo, Ramsey County Commissioner – District 3, appeared
Samantha Wright, niece in law of Wesley Pettiford, appeared
Luis Rosario, Ramsey County Assessor, appeared
Jason Peterson, NeighborWorks Home Partners, appeared*

Moermond: I have a couple questions I want to ask before we get rolling. Because this is a tax forfeited property with an application for repurchase, I wanted to be clear where we were at ownership-wise. The County administers the property on behalf of the State of Minnesota who I believe is still in ownership?

Samuel: yes.

Moermond: when you filed the appeal there were three components, level of required code compliance repairs, process for determining needed repairs, and application of vacant building fees, are those all still in play?

Samuel: yes, they are.

Moermond: this property was condemned, I heard an appeal of that condemnation, that was decided by Council on October 23, 2019. After the order to vacate, you opened a file?

Supervisor Matt Dornfeld: yes on October 28, 2019, Inspector Kalis opened a Category 2 vacant building per a condemnation that you heard by our Fire Inspection department. There were 20 code violations approximately, 603 Edmund has had a lengthy history of interior and exterior code violations and neighborhood complaints. Kalis did enter it as a Category 2 vacant building October 28 and the registration form and bill went out on the 29 of October, 2019.

Moermond: when the vacant building registration goes to the County, the State of Minnesota exempt, how is the fee handled?

Dornfeld: in the past we have granted one-year waivers once there is communication between the two departments. Once that property changes hands, if they resell or the owner recoups the property, then the vacant building fee becomes due immediately and goes to assessment within 45 days if it is not paid.

Moermond: so although there's an October 30 bill, it would be waived for 12 months?

Dornfeld: that is the standard operating procedure for Ramsey County tax exempt properties according to Vicki Sheffer.

Moermond: and I thought it was discounted fee.

Samuel: that is my understanding as well. We generally pay that in January for all vacant building properties that exist on our rolls at that point.

Moermond: so were between zero and \$600. So once it is sold, if its sold on a contract for deed for the applicant for repurchase, at that juncture a bill is sent to that party and that's for the full amount? And its not paid, you process it as an assessment.

Dornfeld: Ms. Sheffer does the billing, and that's the way I understand it.

Samuel: if you look at city ordinances, there is a special carve out related to Ramsey County tax forfeited land, with a discounted rate, and my point is more that is shown as an annual fee so I would expect that the Ramsey County fee covers a year. I think the practice is, once the contract for deed is issued, then an additional amount is charged for the full year at the full rate. My argument is we've already paid for year, it shouldn't immediately go to a higher fee payable by the new property owner.

Moermond: I don't know whether I agree or not, but a parallel situation would be when HUD is in ownership of a property and the City couldn't charge HUD for a cleanup or vacant building fee, but upon transaction of that property to a new buyer, those

assessments would come into play at closing. I don't know if you are more like a private party paying a fee, or more a government entity with a special deal. I think in the context of this property the other items were more important.

Samuel: correct, but I'd like to bring up it needs clarification and we've seen it as an issue in other circumstances.

Moermond: got it. The County ordered and received a code compliance inspection report.

Samuel: I received it via the documents for this meeting this morning. We hadn't had it previously. It was also not what I expected.

Moermond: for Category 2 vacant buildings we're talking about it being categorized as a category 2 for two reasons, the code violations and the condemnation as unfit for human habitation. Both of those are triggers individually, and certainly together for that categorization.

Dornfeld: correct.

Moermond: the process for determining repairs is the code compliance requirement for Category twos, I want to turn it over to Mr. Ubl to do a background on when the inspection occurred.

Senior Building Official Steve Ubl: we did a team inspection on Friday, last Friday. I actually joined them and walked through the property to make an assessment, to see any opportunities to inhabit, typically we don't allow occupancy until things are completely signed off. We look for opportunities to find a way to gain entrance or inhabit at a certain point, until they finished some work in other areas while people could be living in there. Broke it down in phases. We worked on exterior assessments, and then the health and safety aspects of the primary function things like kitchens and bathrooms. We tried to break down what could possibly work as far as expediting this as quickly as possible. Working with those inspectors and sitting down afterwards, that it just appears we have a property that is under the umbrella of a Category 2 and it just doesn't appear plausible right now, given the systems and the envelope we have here, there is a higher level of disrepair than I thought. It doesn't appear to be habitable at this time.

Moermond: I'm going to back this up and say, in the past where I've seen DSI allow occupancy of a Category 2, it is when a part has been certified but not another part. Like a triplex where 2 are certified and one is gutted. That would be one version, another would be for exterior weather sensitive repairs that aren't life safety concerns can be put off, but people can be moved in. This seems different in that you're talking about, examining it to see if there are lists in the interior that would address primary violations that would allow occupancy while other repairs are happening in the same space. What kind of considerations did you look at? What would make it ok to inhabit?

Ubl: working with each of the inspectors, we broke it down. You start with the envelope. Can you get it weathertight, then next step is getting it sealed for infestation, then entrance points, once that is established then you work on things such as critical life safety – cooking cleaning, hygiene, -- so the bathrooms and kitchen. In this case, and I think the photos will allude to this, we have masonry issues, and roof system. Some of the items identified around the perimeter would indicate some structural

issues. There's actually some brick placed to support some of the framing members at the bottom of the valleys, it is coming from leaks over the years. You can see that from the interior as well as the exterior. Getting the roof established and dried and boxed and sealed. Then it is how do you want to address the attic, the energy envelope and insulating, and you want to make sure once of the entrances is structurally sound and safe, so workers aren't getting injured. Both entrance locations front and back show structural failures that need to be addressed before interior work can be done. Then once you get into the interior and ask whether it can be entertained as a duplex, do the first floor first or second first? In either case you need cooking and restroom facilities for that. All three of the systems in that building have challenges. The water and sewer systems have work done without a permit or inspected. It indicates it wasn't done by a licensed contractor, that creates a health issue. Everything from back water to back siphoning come to mind. Then we get into the original wiring in the building, we must be sensitive when it comes to insulating and how its addressed when the wires are exposed. Some of the plaster has been removed from the walls or ceilings and have temporary gypsum board to cover things up. What I'm getting at is that for the electrical work, it's hard to work on first floor without addressing the second floor electrical, and vice verse. There needs to be some significant homeruns relocated.

[pictures are shown]

Moermond: when I look at this, I am seeing nesting material. I'm not clear what is going on with the soffits and eaves, what else?

Ubl: In a good percentage of those soffit and eave areas, there is some good original blockage between the attic and the boxouts that are still in place, but the weak points, the end of the eaves, the bottom of the valleys, have some significant deterioration and rotting that has occurred over the years. The structure is suspect. You can see some of the framing and box outs are in place, but there is some brick that has been relocated. This is from lack of water control.

Moermond: this picture of the back stairs, what's my concern about that?

Ubls: one, they aren't strapped in, they are resting against and nailed in with common nails at the top of the stringers. There was a permit obtained for some repairs for that flight of stairs in 2014.

Moermond: ok, so that's a compromised entrance to the second level.

Ubl: it is.

Moermond: when I look at that, I'm not sure either, underneath the door it looks like it was a location where there had been a post perhaps and there isn't now? And I don't know about footings.

Ubl: yes, right. Deterioration on the front steps. Tuckpointing on the foundation masonry. You can see the listing of the rake and boxout that gravity is doing its toll and its weak. You can see where brick was used to shore up the structural framing of the valley, and the indication of masonry deterioration from the leaking. That's the masonry chimney with its deflection.

Moermond: what was your observation of that? A lot was made of it earlier.

Ubl: its pretty much held it place by the framing of the roof. It should be addressed

really quick. Second, it isn't necessarily just the failing of the masonry, but now were concerned as well about the draw it may have with the emissions from the furnace. We didn't test for CO when we were in there, we just got in and out. Two flights of stairs to get into the basement level, one is quite narrow. Neither inspector or I went up to attic. There's identification of leakage throughout the house that need to be addressed so I'm not quite sure. Once things get cleaned out it would justify going back in to make a better assessment.

Moermond: am I looking at sheetrock being used to support a ceiling in a state of failure?

Ubl: yes, it appears that way here. There are others.

Moermond: what would you have gained from attic access if you went up there?

Ubl: you can assess valuation for the repairs, the degree of disrepair and dilapidation, the level of insulation and quality of wiring and the infestation. It would be good to have eyes on the old wiring, to be sure its something that could possibly be used. To be proactive is the best way to go, to have all the information up front, in any vacant building.

Moermond: any other areas inaccessible?

Ubl: portions of the basement and the garage.

Moermond: normally you wouldn't finish if you haven't had access to the entire property, but this was an unusual case where you wanted information for discussion out there. So, the report may be augmented once there are better visuals, how is that incorporated?

Ubl: generally, when we see contractors submit permits for a vacant building, we offer to meet on the job site before they go forward with anything. If there are contractors out there that want to meet to get a better assessment on how they are supposed to bid on something, we should be providing that service at will. In some of these cases, snow cover on the roof or no access to the attic, things like that would be noted on some of the vacant building lists so that there would be meetings in the field.

Moermond: is this the second story, where plaster is missing?

Ubl: second floor certainly had more of the patchwork in it.

Moermond: this is under a sink?

Ubl: it is the connectivity. Lack of stack vent on the backside. We identified a couple things with the waste system, the connections that were in place were done after the main system was put in. So there's some venting lacking, connectivity of different types of materials that aren't in compliance. The water line service system might need to be replaced in its entirety up to and including the meter.

Moermond: lets look at plumbing photos next.

Ubl: you have outside spigots connected to rubber hoses connected to black pipe. Some type of waste vent and water line connectivity from some type of noncompliant hose. You're concerned about gas emissions, health with the environment of leakage

with mold and mildew, microorganisms. That trap is not complaint, which means it could back gas or off gas coming up through the sink. That's a leak in the main waste system in the basement. This has a couple of nonconforming connections of PVC and rubber hoses connecting to the waste. It is all fixable.

Samuel: would they have been code at the time they were in place and aren't any longer, or it wouldn't ever have been?

Ubl: earliest plumbing code we have is early 40's and it wouldn't have been to code at that time.

Moermond: and its at the time of modification, so if a garden hose is installed in 2010, it would not have been in compliance in 2010.

Ubl: we were looking for a cleanout for the sanitary, it wasn't in place. The photos of the water heater, it vents into the masonry chimney. There isn't a flu visually from the ground indicating now you have a concern about the mortar missing in the joints and stack effect emissions going all the way up. Arguably, in the plumbing there are couplings and gas lines and shut offs that were compliant at the time, if a contractor can go to that point without compromising the integrity, great, you go to that point.

Moermond: We talk about the envelope, the masonry, roof, chimney. Noted that the attic was not accessible. The concern with the masonry is that, although it's a full masonry structure, it does allow for infestation which is evident in the photographs. I heard pigeons and squirrels in the past. The roof itself allows water infiltration. The chimney is listing. We don't know how well the chimney is being supported by surrounding roofing material. The entrances you think are not structurally sound, both of them?

Ubl: we think they should be assessed and stabilized before there is traffic in there. Even to clean it out.

Moermond: so, when you talk about cooking and cleaning and hygiene, we have a lot of photographs of plumbing in kitchens and bathrooms. When I look at the list it is long for plumbing, its 38 all told. What is your overall assessment of the plumbing situation?

Ubl: the kitchens and bathrooms are stacked back to back as well. Talking to two of the plumbing inspectors, it just appears that any contractor that would come in would start from that deficient connection in the basement and re-run a new vent system and branch off of that for the waste, since its stacked. We don't feel that a contractor is going to connect anywhere else and then warrant it for a year without starting from that basic point.

Moermond: Is the plumbing salvageable or does it need to be redone to make it safe and sanitary?

Ubl: again, if were talking about first or second floor, you would have to address the entire system before occupying either one before going after the next floor you want to finish. It appears with the materials in place, the quality of the materials that could potentially be used, it would be suspect if they could reuse any of those components. The same holds true for the water supply system. Once you start touching any of those components it becomes evident you're going to start from scratch in the basement and work your way up for the water and sewer.

Moermond: when you were approaching this with your team, you talked about hoping to

do a phased rehab while allowing for occupancy, addressing the worst things first, could you round that out? I'm not hearing a way for it to be phased right now, when you are talking about the entire plumbing system. I know that was the intention.

Ubl: their whole point was based on how the existing conditions are, its hard to compartmentalize the interior because its going to have an effect on the other areas. We haven't touched on the furnace or forced air system, if someone could review the heat exchanger, do a test real quick on the exhaust and get the flue fixed and the duct work cleaned out, if everything is ok we are good. It is just getting those three items addressed for the forced air. When you get into the electrical, there is a photograph on the second floor that shows four homeruns right behind baseboard, which we've never seen before and we don't know how to address that.

Moermond: you said it was original electrical?

Ubl: it is pretty much, cable knob and tube wiring. Their locations were unique and unlike anything I've seen before. There are certain things in place that would convince you that you can't just do the first floor and go after the second floor, when it comes to electrical. And plumbing seems like it has to be done in its entirety. New home runs and new circuit branches may need to be installed, when you bring them in, they are going to do both floors and the basement at the same time.

Moermond: ok. Is there a path that you can see where this work could be phased to allow for occupancy while some of it is done, or are the deficiencies so great that the path doesn't exist and the project needs to be done, but there's no permits issued for less than all of the work because of the way the systems are interacting with each other?

Ubl: there is a possibility of someone addressing the envelope and entrances and getting things cleaned out. You could come in with electrical, plumbing and heating contractors and do the entire house, and then a general contractor would address the first or second floor, and have that addressed before the other floor. You could entertain a level, but my experience is that general contractors would want to do the entire thing, there are increased costs if they come back. Then it spills back into phases, its phase development. How long would it take each phase to get completed? You'd have to have a general contractor figure out a 30 or 60 day window between finishing the second floor and the first, whether it justifies bringing someone in there prematurely rather than waiting for everything to be completed at once. I don't know what that timeline is.

Moermond: The nature of the violations, we've had cases where we have electrical problems in one part and it affects other areas, if something is going on in unit 2 then it affects unit 1 as well. Taking that sort of a statement with the electrical here, I'm hearing there are problems that the units would interact and the safety violations would interact with each other? Maybe unit 2 gets everything and unit 1 needs electrical and plumbing addressed just so unit 2 is safe, that kind of thing exists here? Is DSI willing to entertain a proposal that would aim toward a partial certificate of occupancy?

Ubl: I'm not sure what the timeline would be. It is hard to find a way to say no to any proposal, we aim for yes, that is our job. In this case due to the size of the home and scope of the project, I'm not quite sure if it would take 30 or 60 days or how long it would take to get the second floor finished after the first is. If the right contractor came onboard with the right game plan. I don't know what the schedule is without compromising health and safety. We haven't touched at all on the garage, but there was so much inside we couldn't assess. Exterior certainly showed signs of needing repair. I went back through all our records, and we can't find any records with the rear

porch first and second level. There is nothing in the records going back to the 50's. Our concern is the rear structure is sitting on a floating slab. There is concrete extending out beyond the framed and sided walls of the main level. There are indications of movement.

Samuel: the family is interested in having it as a single-family home, so from an inspection standpoint and code, does that change anything were talking about here?

Ubl: it wouldn't from a building code standpoint it would not. Its one point of entrance.

[photo shown of back of home and foundation]

Ubl: In this picture I sent you can see the concrete slab extending outside the frame wall. We are after confirmation that there's stability there and based on experience it's something that might not be. It would have to be identified.

Moermond: to answer your question about rehabilitating this as a single family home versus a duplex, it has fewer requirements which you would be aware of, like separate heating and ventilation systems for each unit, there wouldn't need to be the same kind of fire separation between the two units. That being said, there are advantages that may need to be evaluated, doing one space before another and whether it would make it better that it is already a duplex. I know they want to reoccupy, but I also know that property values are higher with duplexes. That would perhaps be an advantage, so it's a decision that maybe needs to be made with all of the information new and old.

Samuel: with the code compliance, we are in full agreement that certain items need to be addressed, like venting of the furnace and roof and chimney. When I saw the code compliance report this morning, my question was which items were immediate health and safety issues? And I'm hearing that there are clearly number of items on the list that fit the first category. My question is, does all of them? Or is it a situation where there's enough that needs to be done and the other work needs to be done with it so it doesn't make sense to differentiate it?

Ubl: its hard to get a contractor to do a partial on systems that are antiquated or compromised and guarantee that warranty for a year. Many times they wont do that. You may find a contractor that wants to take advantage of that, and they could, but most of the times they won't because of the liability. Most times it's a challenge to get a contractor to go to that point, so its identified.

Moermond: I'm going to unwind this, was I understanding you to say that you would be willing to entertain a proposal for phased work, but you don't want to define what that would look like, but rather would see a contractor do that?

Ubl: yes.

Moermond: and that may or may not be possible, period, and there may or may not be contractors willing to do that?

Ubl: yes.

Moermond: were not speaking for what contractors might do.

Ubl: someone might have a game plan that's feasible. The size of building and scope of work seems cost prohibitive to pull contractors back on the second level, and then

bring them back to do the second after the first is done. But maybe, they have a plan that's cost effective and may want to do that, and we would accept that.

Samuel: is there a level of finishing that needs to be done?

Ubl: generally, the reoccupy a space it has to be finished. In this case, whether single family or duplex, we would certainly be asking that at least the sheetrock be installed on the second level so we have things sealed and closed and minimize other hazards caused by construction.

Moermond: would you be looking for flooring to be in place? Maybe we don't have fancy tile or carpeting, but the floors must be sealed and solid?

Ubl: sure, if the main floor is reoccupied first, it would have to be finished. Completed. The second floor sheet rocked, ready for taping and mudding, generally speaking single family home you have minimal hazards at that point other than finagling the electrical.

Samuel: we have a question into PED as to whether they want to do the statement of work, it sounds like NeighborWorks may be willing do it too. That may weigh into the financing, they are looking at multiple rounds and possibilities of financing. But we don't have that answer today, but I do have a question into PED as to where they are at. Certain code compliance issues get tied to a certain level of financing. That was part of the question of what they were dealing with, I have a question into them about that. We have representatives from NeighborWorks here today, but it is suggested we start with PED in terms of financing, since that is the critical piece. Both groups have the necessary staff to do statement of review and work, as well as escrow of funds and financing and contractors. There are a couple groups willing and interested in doing the work.

Moermond: we can say interested, but willing is a question mark until there's a proposal on the table.

Samuel: we've allowed, in a departure from past practices, a lien to be placed against the property, up to 80% of the property to help finance any liens and loans associated with the property. We are contemplating what that might look at if we were to allow 80% of the future market value after repair, as opposed to current condition. We're trying to find a mechanism to use equity in the property to secure any loans or liens associated with the work.

Moermond: so, NeighborWorks can speak to this, historically the process has been that the job is done, you do all the work, and then move people in and that's the most expeditious route, and the reason I heard for doing it differently is it may be more financially feasible if its phased, but it could also be more expensive. If only one unit is fixed and the other is not, would that affect future property value that you would base your loan on?

Samuel: we have the County Assessor in the room, and we can ask them that question.

Ramsey County Commissioner Trista MatasCastillo: I appreciate the work on this, were coloring outside the box trying to work together to figure out how to do this. There is the cost of the building and the phases, but there's additional costs of their temporary housing since Wesley and his brother aren't living in their home. That phased approach doesn't weigh in the cost to the family while they are displaced. We're

trying to keep as many options on the table to really demonstrate that we are working as a County to prevent homelessness. And hopefully it will be something we can look at in the future as well. Samantha is here to speak on behalf of Wesley who is unable to speak, though he is here.

Samantha Wright, niece in law of Wesley Pettiford: I was just speaking to Wesley, if we have to, he said we can turn it into a single family home. There's no necessity to have it as a duplex. We have a GoFundMe me set up, we have a couple contractors donating time, we've had people come out, we as a family are going to make sure Wesley is set, we aren't going to drop the ball on this. I was just showing her RotoRooter receipts showing they pulled permits in 2012 and nobody found that. He was taken advantage of. We didn't know he was in the situation to begin with, other family members did, and they took his big heart for weakness. He was taken advantage of. Whatever I can do to help. Edgar Pettiford is at the rental house, he's not here today, but Wesley is here.

Moermond: The plan is both would continue to live there, but the application for repurchase is being made by Wesley.

Wright: yes, he was the only one in the title. It has been one thing after another, the house was just broken into, and while he was parked outside the rental house somebody hit his car, were just trying to help. He still does dialysis 3 times a week, he needs to be home.

Luis Rosario, Ramsey County Assessor: there was a question of would the house lose value if it becomes a single family instead of duplex?

Moermond: More of a point of curiosity that was going to inform the decision-making about the rehabilitation.

Rosario: We use the sales comparison approach for both duplexes and single family, the duplexes in that area are probably a little higher value than a single family, but depending on the condition of the single family it depends and this is a good sized property. As far as finishing one level and having the other one not finished, it depends on the assessment year, the value would change subject to percentage completed. Typically, when you take out a construction loan and do a fee appraisal they do it subject to plans and specs. This is something we don't do in the Assessor's Office but it would certainly be willing to entertain that, pulling the equity out and thinking about long-term development in the property.

Samuel: part of what has reassured me in that process is that either NeighborWorks or PED would be managing the escrow of the work being done and payments would only be made for in-progress work. Were managing the asset for the State and we don't want it to be underwater if we have liabilities associated with a lien that is more than the value of the property. That's where the assurances in having PED or NeighborWorks in that position would be more comfortable than a traditional bank lender, helps address some of the concerns we have.

Moermond: Mr. Samuel, if the property is repurchased, you mentioned you'd be deviating standard policy of requiring it to be code compliant within a year?

Samuel: no, what we have allowed is that whatever level of code compliance the City deems necessary for re-occupancy or full code compliance review, we are deferring to the City in terms of what is necessary.

Moermond: historically the contracts for deed the County has issued say the property needs to be code compliant as in having a Code Compliance Certificate or Fire Certificate of Occupancy from the City within 35 days. Failure to have that has resulted in the past in legal action to cancel the contract for failure to meet the terms. So, I'm wondering what are the terms then, would it continue to be there needs to be a code compliance or something like that or the contract could be canceled or are you talking about cancellation only in the event of nonpayment?

Samuel: It would still contain the language regarding cancellation to noncompliance with the code compliance provisions.

Moermond: so if its half repaired and not issued you could pursue cancellation of the contract and get a half repaired house back again, with a lien against it.

Samuel: correct. In theory then we could have someone complete the work. The change in language we put in place, we used to have language with regards to the full code compliance, there was a question in this case whether the Fire Certificate of Occupancy was what needed to be addressed or whether there would be a separate code compliance that needs to be addressed. We wanted to have language that gave us flexibility to be at whatever the level the City determined was necessary for both re-occupancy and for the work. That's the language we will be building into the repurchase contract, allowing the City to determine that level of work necessary. That might be something we can change showing there's significant progress being made on the property.

Jason Peterson, NeighborWorks Home Partners: speaking to the phased approach, we were unsure what the code compliance report would look that, we just saw it. I understand maybe that's not the way to go, but we weren't sure what is going to be necessary. I still think its something to look at, since Wesley is currently out of the house. It may not be the best approach. Another point to touch on, in the financing both the County as owner and Wesley as contract for deed holder, so if something would happen the project would still be continued. Only half the money is spent if half the work is done. We actually have two customers. I have two staff that have been through the house, the cost will be significant, but it is a house worth saving. Really rough estimates were looking at \$150,000 for repairs, a duplex you're looking at \$350,000 so the return on investment is there. If the financing works it would be great to get the family back in, this hinges on funding. We don't have funding, but if its located, our position is it would be a good return on investment both for the family and community.

Wright: his tribe might actually donate some money for funding. We're talking with them.

Peterson: we'll do a scope of work and we will escrow dollars and look at sourcing funds, we've spoke with Ms. Wright about that. We are interested and willing to provide services for that.

Moermond: other comments?

Samuel: we're primarily waiting for PED at this point, with the new information we have and then would expect to be coming forward with a plan as to how we are going to move forward. Once we have that plan, and the City would then know what the costs are and what's involved in the process, our expectation would be that we would enter into the repurchase agreement. At this point the County Board has authorized the repurchase agreement but it has not been executed until we had some of these other

factors resolved so the family has a way to make an informed decision about a path forward.

Moermond: the vacant building fee question and the amount and whether there's a full fee upon transaction, I'll tackle that and get back to you in writing. The process for determining the needed repairs, that's the code compliance inspection. Could a partial one be issued? That's a possibility, and its going to be reviewed by DSI on a scope of work, phasing the life safety issues. The question of going back to the Fire Inspection, I really think that that's off the table. I think were in the code compliance world, what sealed the deal for me was the fact that the County ordered a code compliance report and one exists now. The toothpaste is out of the tube. That is the finish line in getting it reoccupied. There's a lot of questions and possibilities about financing. I know we touched on this before, Mr. Pettiford, I continue to see people in housing that is extremely unsafe, looking at demolition or rehab, each of the scenarios I would advise you to work out all of the options. Repurchase seems to be the best thing for you, either getting the house or equity can be used. But don't allow yourself to get discouraged, you can come out ahead, this is one picture and we want to make sure we have the best possible outcome, but there are still other good outcomes.

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