

From: [Mathias Branton](#)
To: [Marcia Moermond](#); [Lynne Ferkinhoff](#); [Demetrius Sass](#); [Janie Vang](#)
Cc: [Ben Herding](#); [Ryan Harrison](#)
Subject: Re: 296 Bates Ave
Date: Friday, October 11, 2024 11:34:02 AM
Attachments: [image001.png](#)
[image002.png](#)
[296 Bates P&L 2023.xlsx](#)
[296 Bates P&L 2019.xlsx](#)
[296 Bates - Landlord MNOI Cap Improvement Worksheet.pdf](#)

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

Hello All,

Please see attached below the MNOI worksheet for 296 Bates as well as the P&L for both years.

A couple notes:

- There is no insurance expense listed on the P&Ls so we took this year's insurance expense for 2023, then extrapolated it for 2019.
- There is no interest on loans expense for 2023 because the property is now part of a group loan with a couple different properties

If you need any additional information or something is missing please let us know, we'd be happy to work through it!

----- Forwarded message -----

From: **Marcia Moermond** <marcia.moermond@ci.stpaul.mn.us>
Date: Thu, Oct 10, 2024 at 2:11 PM
Subject: RE: 296 Bates Ave
To: Ryan Harrison <ryan@housinghubmn.com>
Cc: Lynne Ferkinhoff <Lynne.Ferkinhoff@ci.stpaul.mn.us>, Demetrius Sass <Demetrius.Sass@ci.stpaul.mn.us>, Janie Vang <janie.vang@ci.stpaul.mn.us>, Ben Herding <ben@housinghubmn.com>

Good Afternoon Mr. Harrison,

With respect to page of the MNOI – on page 1 of the attachment, in the 2022 column, line 1 (gross income) and line 18 (total income) should be the same number, as no other income is reported. The difference is \$22,751, which is the amount appearing in line 2 - scheduled rent not received due to vacancy. The instructions indicate total income is the total of line 1 and lines 3-17, excluding line 2. This error has a ripple effect throughout the MNOI. A *very rough* calculation of what the allowable rent increase would be in the 15-18% range – not 11.69% or 27.4%. I hope this explanation is of assistance.

-Marcia Moermond

From: Ryan Harrison <ryan@housinghubmn.com>
Sent: Wednesday, October 9, 2024 6:35 PM
To: Marcia Moermond <marcia.moermond@ci.stpaul.mn.us>
Cc: Lynne Ferkinhoff <Lynne.Ferkinhoff@ci.stpaul.mn.us>; Demetrius Sass <Demetrius.Sass@ci.stpaul.mn.us>; Janie Vang <janie.vang@ci.stpaul.mn.us>; Ben Herding <ben@housinghubmn.com>
Subject: Re: 296 Bates Ave

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Hi Marcia,

In regard to your comment about the error on page 1, are we not supposed to include other sources of income in the total income? That seems pretty straight forward but considering you felt it was such an obvious mistake I wanted to make sure we are on the same page.

Once we have clarification on the expectations of total income as mentioned about the MNOI worksheet will be resubmitted with the data attached in my previous email.

I will have this to you by Friday morning at the latest.

Thank you,

Ryan Harrison
Finance Manager
Housing Hub LLC
651.488.2437 ext.112

On Wed, Oct 9, 2024 at 4:40 PM Marcia Moermond <marcia.moermond@ci.stpaul.mn.us> wrote:

All,

I do see that the referenced date in this email chain in 10/23/24. However, that is in error. My apologies for not catching that earlier on. The appeals are scheduled for public hearing 10/23/24 – meaning a recommendation letter should go out from my office Fri or Mon. to give adequate notice to all. I can accept later but do need it beginning of day Friday 10/11/24.

With respect to the numbers and the 8% maximum request. All requests for an exception to the 3% rent cap are subject to deeper review upon request, which is why the city’s documentation indicates the MNOI used in preparation of the self-certification application be retained. Errors as of the magnitude I’m seeing requiring correction. Your original calculation of the rate you would be qualified to receive was 11.69 (noting the application was for 8%). The MNOI increased that level to 27.04% - a difference of 15 percentage points. Additionally, there is an obvious error on page 1 of the MNOI worksheet. This type of situation has not been presented in hearing to date. These inconsistencies taken together make clear to me that the calculations are not reliable. I am struggling with trusting the calculations submitted to the city. This is why on Monday you were asked to submit clarifying information.

Thank you for your attention to this matter.



Marcia Moermond

Sr. Policy Analyst & Legislative Hearing Officer

Pronouns: she/her

Saint Paul City Council

310 City Hall, [15 W. Kellogg Blvd.](#)

[Saint Paul, MN 55102](#)

P 651-266-8570

marcia.moermond@stpaul.gov

www.StPaul.gov

From: Ryan Harrison <ryan@housinghubmn.com>
Sent: Wednesday, October 9, 2024 3:01 PM
To: Janie Vang <janie.vang@ci.stpaul.mn.us>
Cc: Marcia Moermond <marcia.moermond@ci.stpaul.mn.us>; Lynne Ferkinhoff <Lynne.Ferkinhoff@ci.stpaul.mn.us>; Demetrius Sass <Demetrius.Sass@ci.stpaul.mn.us>
Subject: Re: 296 Bates Ave

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Hi Janie,

I can get you something this evening. I would appreciate any grace period considering neither of us were aware of this deadline.

I did a little bit of looking on my phone here, and it seems that the total income and expenses were used on the google sheet, and more applicable categories were used on the MNOI. I can send you the base documentation for reference.

I am curious how this would lead to a denial when we would only raise rents by 8% max in either scenario regardless of the allowable increase.

Ryan Harrison
Finance Manager
Housing Hub LLC
651.488.2437 ext.112

On Wed, Oct 9, 2024 at 3:52 PM Janie Vang <janie.vang@ci.stpaul.mn.us> wrote:

Hi Ryan,

Thank you for your prompt response! Apologies for the short notice, but we'll need the information later today. Please do what you can to make that happen.

I appreciate your help!

Best,
Janie

From: Ryan Harrison <ryan@housinghubmn.com>
Sent: Wednesday, October 9, 2024 2:43 PM
To: Janie Vang <janie.vang@ci.stpaul.mn.us>
Cc: Marcia Moermond <marcia.moermond@ci.stpaul.mn.us>; Lynne Ferkinhoff <Lynne.Ferkinhoff@ci.stpaul.mn.us>; Demetrius Sass <Demetrius.Sass@ci.stpaul.mn.us>
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Hi Janie,

I just listened to your voicemail regarding this request. I'm on pto for the rest of the week and I didn't think there was any rush here considering the October 23rd reference. Is it possible to push this to Monday? Otherwise, I can get something to you later today or tomorrow.

Let me know - thank you!

Ryan Harrison
Finance Manager
Housing Hub LLC
651.488.2437 ext.112

On Mon, Oct 7, 2024 at 12:27 PM Janie Vang <janie.vang@ci.stpaul.mn.us> wrote:

Hi Ryan,

We have a few concerns regarding the documents. The Google sheet and the MNOI don't match. Could you please send something in writing explaining why there is a difference?

This is what we noted:

- Per the Google sheet allowable rent increase is 11.69% which is what staff had in their report per the Google sheet calculation they did;
- Per an uncorrected MNOI, they indicate they qualify for 27.04%
- Per a revised MNOI, they likely qualify for 16.85%

We should get this squared away before October 23rd. Please let me know if you have any questions.

Thanks!

Janie Vang

*Executive Assistant | She/her
Rent Stabilization
[15 W Kellogg Blvd.](#), City Hall
Saint Paul, MN 55102*

P: 651.266.8568 janie.vang@ci.stpaul.mn.us



SAINT PAUL
MINNESOTA

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