

Key Points of the Appellants' Positions

Appellants simply are asking that the Rent Stabilization code (the "Code") be applied consistent with a plain reading of its wording and other canons of construction established by the Minnesota Supreme Court for interpreting statutes, regulations, rules, and ordinances.

Housing Services are required to be included with apartment rent for purposes of the Code.

The term "Housing Services" is defined in the Code to include a broad range of items not limited to (as reflected by the wording "include but are not limited to") 18 examples provided, one of which is "vehicle parking spaces". As if this was not clear enough, the Code further states that Housing Services include "any other benefit, privilege or facility connected with the use or occupancy of any rental unit."

Months in advance of applying for an exception under the Code, on August 1, 2024, raised the apartment rent by the maximum then governing, 3 percent, and separately raised rent on the garaged vehicle parking space by 33%. Appellants argue that this violated the provisions of the Code, and have asked that they be refunded the overcharge for each month it has been paid. This was not addressed in the Hearing Officer's Letter of Recommendations, despite a recommendation that appellants' garaged vehicle parking spaces are included by virtue of the Code's definition of Housing Services. Appellants ask City Council to so order it.

Appellee landlord was granted an exception providing that rent may not exceed a maximum of 8 percent increase, and the Hearing Officers recommends approval of this exception.

However, in the Hearing Officer's calculation of what the maximum rent for each appellant may be, the Hearing Officer imposed a separate raise for appellants garaged vehicle parking space. That raise was the same as appellee landlord required in August of 2024, namely, 33%.

Appellants argue that this action violates the Code, and the Hearing Officer's own recommendation that appellants garaged vehicle parking spaces are included within the scope of the term Housing Services. Given a plain reading of the Code, there cannot be a separate increase for any Housing Services. Appellants ask City Council to order that the rent for appellants garage vehicle parking space be combined with the rent of the rental units before application of the maximum rent percentage allowed.

Finally, the exception granted to appellee landlord is a maximum of 8 percent. However, the current rent year, begun on August 1, 2024, already has had a 3 percent increase. Given a plain reading of the Code, rent may not exceed 8 percent in a 12 month period. Appellants ask City Council to order application of the exception granted to appellee landlord to comport with the clear language of the Code.

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8 January 2025

Ms. Janie Vang
Executive Assistant
Rent Stabilization
15 W. Kellogg Blvd., City Hall
Saint Paul, MN 55102

Re: Appeal of Rent Exception Granted to Penelope A. Brown; Issues/Questions re the Implementation of the Hearing Officer's Recommendation

Dear Ms. Vang:

Thank you for providing us with the opportunity to provide concerns/questions re the Recommendation of the Hearing Officer in the above-referenced matter.

We believe that the chart reflecting the implementation of the Hearing Officer's Recommendation in this matter is in error for reasons that follow.

As provided by appellants in Exhibit 1 of their submitted Statement of Appeal with Supporting Documents, Penelope A. Brown (hereinafter "Brown"), in June, 2024 letters, notified the appellants that their respective apartment rents would be increased by 3% for the coming year beginning August 1, 2024. Thus, the current rental year began August 1, 2024. This date is important because Saint Paul's Rent Stabilization ordinance states in Section 193A.04: "No landlord shall demand, charge, or accept from a tenant a rent increase within a 12-month period that is in excess of three (3) percent of the existing monthly rent for any residential rental property except as allowed under Sections 193A.08 or 193A.08."

This means, appellants submit, that the grant of the rent exception of up to a maximum of 8 percent allows Brown to raise the rent a maximum of 8 percent for the balance of the rental year begun August 1, 2024. However, such a raise must reflect the fact that rents already had been raised 3 percent. Otherwise, appellants would incur a rent increase of (8% on top of 3%) more than 11 percent, which is in excess of the exception granted. Similarly, the proper 8 percent increase cannot be accomplished by simply increasing the appellants' current rent by 5 percent. As the following example illustrates, using

\$1000, simply increasing appellants' rent by 5 percent results in an increase in rent for the rental year in excess of 8 percent, which exceeds the maximum exception granted.

$\$1000 \times 8\% = \1080 , and increase of **\$80**, versus

$\$1000 \times 3\% = \1030 , an increase of \$30

$\$1030 \times 5\% = \1051.50 , an increase of \$51.50

$\$30 + \$51.50 = \mathbf{\$81.50}$

The simplest and easiest way of determining the appropriate 8 percent increase in line with the Hearing Officer's recommendation (specifically, that apartment and garage rent should be combined before applying the percent increase), is to go back to the rent at the beginning of the rental year, and apply the 8 percent to the combined apartment and garage rent figures:

For James W. Bush —

$\$800 + \$75 = \$875 \times 8\% = \70 , for a total apartment and garage rent of \$945.

For Linda D. Dear —

$\$900 + \$75 = \$975 \times 8\% = \78 , for a total apartment and garage rent of \$1053.

As calculated in this straightforward way, these are the maximum rents that can be charged for appellants during the balance of the rental year.

Also in light of the Hearing Officer's holding/recommendation, the rent charged appellants beginning August 1, 2024, exceeded the maximum of 3 percent then authorized under the Rent Stabilization code.

The maximum allowable rent for appellant Bush was $(\$800 + \$75 = \$875 \times 3\% = \$26.25)$ \$901.25 and for appellant Dear $(\$900 + \$75 = \$975 \times 3\% = \$29.25)$ \$1004.25. This means that, for each month beginning August 1, 2024, appellant Bush paid $(\$924 - \$901.25 =)$ \$22.75 and appellant Dear paid $(\$1027 - \$1004.25)$ \$22.75 more than allowed under the Rent Stabilization code. These overcharges should be returned to the appellants. This claim was not addressed in the Hearing Officer's Recommendation, perhaps because the claim was submitted separately in a December 9, 2024 complaint letter to Rent Stabilization, but these overcharges need to be addressed and resolved.

Thank you again for providing this opportunity to submit question/concerns.

Sincerely,

James W. Bush

Linda D. Dear

Cc: Penelope A. Brown, via pennybrown744@gmail.com