

James W. Bush  
Linda D. Dear  
1391 Hazelwood Street, Apts. 10 & 11  
Saint Paul, MN. 55106

21 January 2025

Via E-Mails as Indicated

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Re: Appeal of the Rent Stabilization Exception to Penelope A. Brown d/b/a Hazelwood Street Properties L.L.C.

Dear Council Members Jalali, Kim, Bowie, Noecker, Jost, Yang, and Johnson:

We, the undersigned, are James Bush and Linda Dear, residents in Apts. 10 and 11, respectively, at 1391 Hazelwood Street, Saint, Paul, and are appellants in the above-referenced matter. Our letter herein seeks to clarify and respond to comments made at the January 15, 2025 Council Meeting (hereinafter the “Council Meeting”) by Legislative Hearing Officer Moermond (hereinafter the “Hearing Officer”), some of which was heard by us for the first time at the Council Meeting. In the interest of fairness, given the limited time to respond at the Council Meeting, this letter is intended to provide you with critical information to consider in making an informed ruling.

**I. The Hearing Officer correctly concluded that rent is inclusive of the garage fees charged by a landlord.**

Under the Rent Stabilization code, “**rent**” is defined as “[a]ll monetary consideration charged or received by a landlord concerning the use or occupancy of a **rental unit** pursuant to a rental agreement.” 193A.03(v) (emphasis added). A “rental unit” is defined as “[a]ny dwelling unit . . .

that is rented . . . , for residential use or occupancy, **together with all housing services connected with the use or occupancy of such property.**” 193A.03(x) (emphasis added). “Housing Services” expressly include “vehicle parking spaces.” 193A.03(l). Appellants’ garage rent clearly is for a “vehicle parking space,” and also could easily fall within the breadth and scope of the concluding language of the “Housing Services” definition which encompasses “any other benefit, privilege or facility connected with the use or occupancy of any rental unit.” 193A.03(l). Thus, the garage fee, which is a housing service connected to the appellant use and occupancy of their rental units, is considered rent for purposes of the Rent Stabilization code.

The intent of the “housing Services” definition reflects an important public policy reason why this is so: **any maximum placed on rent becomes meaningless if landlords can tack on charges for various services that results in a total charge for the tenant that exceeds the maximum.** Thus, the Rent Stabilization code requires any such services to be included in rent **prior to** applying the maximum rent increase.

As stated above, the Hearing Officer affirms this interpretation in her recommendation. Appellants urge the Council to agree with the Hearing Officer’s conclusion on this issue.

**II. The Hearing Office incorrectly states the current rent for appellants and, as a result, incorporates a violation of the Rent Stabilization code into her recommendation.**

The Hearing Officer’s Recommendation Letter incorrectly states that appellants’ current garage rate is \$75. This is not correct. Both appellants currently pay \$100 in garage rent. In June, 2024, appellants received a rent increase notice that stated each appellant’s apartment rent would increase 3% and garage rent would go from \$75 to \$100 effective August 1, 2024. These notices were provided to the Hearing Officer. Because garage rent is considered part of a tenant’s total rent, and subject to the 3% limit, this resulted in a total rent increase of greater than allowed under the Rent Stabilization code.

TENANT NAME	RENT PRIOR TO 8/1/24	CURRENT RENT, BEGINNING 8/1/24	% INCREASE
(Apt. 10) Bush	\$800 unit rent + \$75 garage rent = <b>\$875 total rent</b>	\$824 unit rent + \$100 garage rent = <b>\$924 total rent</b>	<b>5.6%</b>
(Apt. 11) Dear	\$900 unit rent + \$75 garage rent = <b>\$975 total rent</b>	\$927 unit rent + \$100 garage rent = <b>\$1,027 total rent</b>	<b>5.6%</b>

As discussed more below, the Rent Stabilization staff have not addressed this violation, **even though the issue has been raised by appellants.** Instead, at the Council Meeting, the Hearing Officer said that that matter was not before her or the Council. This response diminished tenant

protections afforded by the Rent Stabilization code and effectively cosigns on the landlord's illegal rent increase.

Moreover, the Hearing Officer's proposed resolution — "allowing a maximum 8% in rent, inclusive of parking as a housing service" — is framed in percentages, not actual rent numbers. As such, accepting the Hearing Officer's recommendation allows for the illegally raised rent in 2024 to form the basis for the future rent-increase exception allowed by the recommendation.

**III. Matters raised in complaints made to various Saint Paul governmental departments must be resolved before the City Council rules on the appeal, especially since the complaints directly relate to rent violations of the Rent Stabilization code.**

In making their appeal, appellants Bush and Dear presented issues concerning their landlord's violations of the Saint Paul Fire code, the Saint Paul ordinance prohibiting age discrimination in housing, and the maximum rent increase ordinance of the Rent Stabilization code. These issues were further presented in their submitted Statement of the Appellants, together with the complaint letters directed to various Saint Paul governmental departments, and at the December 12, 2024 appeal hearing. These issues are clearly within the legal purview of the appeal.

The Hearing Officer has discounted these alleged violations, stating that they were filed the week prior to the December 12<sup>th</sup> hearing. But she failed to note, as stated in the complaints made to the Fire Marshall and the Department of Human Rights, that those filings came after years of complaints and requests made to the landlord. She also failed to note that appellants did not receive notification of the October 18, 2024 rent exception grant until October 31, 2024, and thus appellants did not have the full 45 day period provide by the Rent Stabilization code to prepare their appeal. Had the appellants had the full period, the complaint letters could have been filed earlier, resulting in initial feedback from those governmental departments that could have been presented at the December 12<sup>th</sup> hearing since two departments responded within days of receiving the complaint letters.

Since the Council Meeting last week, appellant Bush has been notified that the Department of Human Rights has opened an age discrimination investigation in response to his complaint. The office of the Fire Marshal has provided a direct phone number to call in the event of substandard heating so that a fire marshal can come to the apartment building that day to take official temperature measurements for the purpose of contacting appellant's landlord about a violation. While the landlord daughter testified at the Council Meeting that she has undertaken to correct the heating issue, and while such effort is welcome and appreciated after years of requests, the heating problem has yet to be corrected. Under Minnesota law, landlords "must supply or furnish heat at a minimum temperature of 68 degrees Fahrenheit from October 1 through April 30." Minn.

Stat. 504B.161, subd. 1(a)(5); see also City Code 34.11(6). The morning temperature recorded in appellant Bush's bedroom on the past few days has been below the minimum required (despite the thermostat being at the highest possible temperature setting, the recorded temperature on Sunday, January 19, 2025 was 64 degrees, on Monday, January 20 and Tuesday, January 21 was 65 degrees, and continuously below the required minimum throughout this three day period).

Adequate heating in rental units during the cold weather months, and the associated failure to provide replacements for the faulty bedroom windows that contribute to the heating problem, such as younger tenants have received, are both issues that relate to habitability. Section 193A.06(c) of the Rent Stabilization code provides: "The city will not grant an exception to the limitation on rental increases for any unit where the landlord has failed to bring the rental unit into compliance with the implied warranty of habitability in accordance with Minn. Stats. 504B.161." Appellants have provided evidence that there are habitability concerns at their property. The Hearing Officer cannot simply ignore those concerns and grant a landlord's exception request.

Furthermore, the recommendation letter of the Hearing Officer does not find that appellee landlord violated the Rent Stabilization code by the landlord's August 1, 2024 rent increase, even though, as shown in Section II above, that increase is an obvious violation. The Hearing Officer has chosen to defer such a determination to enforcement by the Rent Stabilization staff.

But the complaint letter to Rent Stabilization detailing this violation was mailed on December 6, 2024, some six weeks ago, and **has yet to be acknowledged in any way** by Rent Stabilization staff. The violation discussed in that complaint letter was made part of the appeal by the appellants, and deserves a finding by the Hearing Officer and immediate enforcement by Rent Stabilization.

To approve an exception to the rent maximum for the landlord, when the landlord had applied for the exception **while violating the very ordinance for which she has sought an exception**, and while an age discrimination investigation is underway in a matter that affects habitability, would not be very flattering in the public eye for Rent Stabilization or the City.

Appellants Bush and Dear, therefore, ask City Council to grant their appeal and reject the Hearing Officer's Recommendation, thereby denying the landlord an exception to the Rent Stabilization code. In the alternative, appellants ask City Council to (1) postpone a final ruling on the rent exception for appellee landlord until her various violations of Saint Paul ordinances and Minnesota statutes are resolved, (2) remand the appeal back to the Hearing Officer for inclusion of a finding that the appellee landlord's August 1, 2024 rent increase was a violation of the Rent Stabilization code, and (3) direct the Rent Stabilization staff to enforce the violation.

Thank you for your consideration of our comments and requests.

Appellant Bush will be in attendance at the January 22, 2025 Council meeting, and will be pleased to answer any questions the Council may have with respect to this letter or any of the appellant's concerns.

Respectfully,

James W. Bush

Linda D. Dear

cc: Rent Stabilization — Appeals, via [rentappeals@ci.stpaul.mn.us](mailto:rentappeals@ci.stpaul.mn.us)

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