



City of Saint Paul

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**Meeting Minutes
Rent Stabilization Appeal Hearings**

***Marcia Moermond, Legislative Hearing Officer
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Room 330 City Hall & Court House

Thursday, August 10, 2023

10:00 AM

RLH RSA 23-14 / RLH RSA 24-4: Appeal of Sumeya Mohamed to a Rent Stabilization Determination at 200 WINTHROP STREET SOUTH, APT. 313.

Lynne Ferkinhoff & Demetrius Sass, Rent Stabilization staff at the Department of Safety and Inspections

Sumeya Mohamed, appellant appeared

James Poradek, Abbie Hanson and Jack Cann of the Housing Justice Center, attorneys representing Ms. Mohamed appeared

Greg Myers, expert on behalf of appellant, appeared

Jason Wood, G & I Phoenix Apartments, LLC, Marquette Management, appeared

Moermond: I hear a number of kinds of appeals including appeals on Chapter 193A, rent stabilization ordinance. I need to hear the appeal being made of the city's determination of an exception to the rent cap. It's an appeal of that determination made by the Department of Safety and Inspections (DSI). I need to take the information I hear and see and come up with a recommendation for the Council to consider. If everybody is ok with what I'm recommending to the City Council, the Council will go ahead and adopt the recommendation as a part of its public hearing consent agenda. Note, anybody can come to testify. The Council will deliberate and may or may not come to a decision at that time. I don't know if we are going to finish our discussion today. I did receive a fair bit of additional information yesterday (Wednesday) which I will admit is a very busy day with Council meetings on Wednesdays. We have people in the room I would like to identify. First, we have staff from DSI who have nameplates: Lynn Ferkinhoff and Demetrius Sass. I am assuming that we have Sumeya Mohamed, who is the appellant today, who I will be checking in with from time to time. I understand you are represented, and I have 3 attorneys names appearing in the paperwork. We have 3 chairs in front, and we'll try to keep things moving in a way that whoever is talking is in a chair with a microphone. Ms. Romero is organizing the notes for this meeting. I recognize you Mr. Cann, of course. Also, we have Abigail Hanson. It looks like the actual person who filed an appeal on your behalf Ms. Mohamed was James Poradek. I'm simply a hearing officer who makes recommendations, not final determinations. Essentially, my job is to create a record of findings and a recommendation. Finally, I'm also looking for Mr. Jason Wood and Ms. Delisle.

Wood: She will not be in attendance today.

Moermond: Would you have anybody else with you today?

Wood: No.

Moermond: You are from G & I Phoenix Apartments, LLC. Do you have a title with that?

Wood: That's the ownership entity that owns the property. I work for Marquette companies. I am the director of asset management along with 34 other assets throughout the Midwest.

Moermond: The way I normally conduct these hearings is to start with the staff report. I would like staff to lay the groundwork about what they looked at, what process they use to review the application, how they came to the determination that they did. Then I would like to talk to the appellant, find out why you are appealing what you're looking for in the appeals process and talk to anyone else who's an interested party. Obviously, you as the owner who represent ownership are an interested party. Is there anybody else who would want to talk who isn't somehow connected already? This is a public record and I want to emphasize public in the sense that I want the record, the notes from the meeting and the way we talk about things to be understandable to not be using terminology that isn't generally understood, so that somebody can look through the notes in the meeting and can understand what we were talking about. The Council obviously deals with appeals of thing, but this is something of a larger public interest. If we can make that successful for not using not understood terminology or not defining it when we use it. If you need to a specific term just define it. That's true when City staff speak and when other people speak. If you don't have any questions, we'll turn it over to you Ms. Ferkinhoff. Where would you like to draw my attention to first?

Ferkinhoff: I'll start off with the staff report. On January 2, 2023, DSI received a Just Cause Vacancy application to allow the owner of The Haven of Battle Creek to increase the rent for vacated units by the Consumer Price Index plus 8% per the Rent Stabilization Ordinance. The intake form is part of the record and Cheron Eich is listed as the applicant. Ms. Eich represents Marquette Management and submitted the application on behalf of G & I Phoenix Apartments, LLC (the owner of the property). After receiving the application, staff exchanged several emails with Ms. Eich about the process to request a rent increase exception to the 3% cap using staff determination, self-certification and Just Cause Vacancy. On January 24, 2023, DSI received an email with multiple attachments comprising a staff determination request for an exception to the 3% rent increase cap per Ordinance 193A. The request is for The Haven of Battle Creek. Ms. Eich submitted the email and attachments. Staff used the information provided by Ms. Eich to create an application, which is part of the record. The original Just Cause Vacancy application was marked as "Abandoned" in the Rent Stabilization SharePoint. The reasons listed for the increase include: 1) An unavoidable increase in operating expenses; and 2) A capital improvement project.

According to information provided by Ms. Eich, G & I X Phoenix Apartments, LLC purchased The Haven of Battle Creek on May 17, 2021 and began an extensive building and unit renovation program. Ms. Eich indicated that the apartment buildings were built in 1988 and many of the units still had the original amenities and décor. The application submitted by The Haven of Battle Creek included a brief description of several interior and exterior capital improvement projects, including exterior completed projects: 1) paint; 2) asphalt; 3) concrete; 4) roof (new on 200 side); 5) balcony; 6) drainage; 7) landscape (repairs). Completed interior repairs listed were: 1) new leasing office; 2) renovated indoor pool; 3) fitness center; 4) model; 6) lobbies; 7) painting (hallways, stairwells, doors); 8) door locks (new). In progress interior work included: 1) package room; 2) mailboxes (new on 200 side); 3) garage (power washing / striping); 4) fob and camera systems installation (new); 6) outdoor patio (off the pool); 7) outdoor eating / veranda area.

Upon reviewing the application, staff decided to meet virtually with Ms. Eich and Jason Wood (Director, Asset Management at Marquette Companies). During the meeting on March 2, 2023, the application was reviewed and discussed, including open items for: 1) interest allowance; and 2) planned capital. As this was a complex application, a substantial amount of financial analysis was required. A significant level of communication took place between DSI staff and Marquette representatives between January 2023 and May 2023.

City staff issued a determination letter on May 25, 2023, granting approval of the requested rent increase at varying percentages, depending on the unit. In the determination letter, staff included an attachment to show the percentage in rent increase that was allowed by unit. The allowed amount was separated to show the percentage that could be attributed to renovation and the percentage that could be attributed to net operating income. The allowed rent increases ranged from 26.48% to 80.61%. Unit 313 was approved for a 26.48% increase or a new maximum rent of \$1,823.84 per month. The increase was entirely attributed to net operating income with no increase allowed for renovation. At the City's request, Ms. Eich provided a Rent Roll to the DSI on February 1, 2023. The rent roll was used to mail notification postcards to the tenants to inform them that their landlord. Notices were as follows: on February 1, 2023 there was a requested for an exception to the rent increase cap; and on May 24, 2023 an exception to the rent increase cap was which included advisement of appeal rights. The Haven of Battle Creek comprises two addresses: 200 Winthrop Street South and 215 Kipling Street.

The last Fire Certificate of Occupancy was approved in February 2023 as a Class A property. Complaints include: January 10, 2023 – mouse infestation; June 15, 2023 – fire alarm issue (fire alarm resets, but indicates it's in trouble mode); and August 2, 2023 – rodents, flooding, broken glass and garbage on the property. All issues have been remedied or are in the process of being remedied.

Moermond: I'm going to pause for a second just to clarify for the record. In January, you received an application, a just cause vacancy application to increase rent and found out that was not the appropriate type of application to be made in these circumstances that were being described in the just cause vacancy. The appropriate application would have been staff determination.

Ferkinhoff: That's correct. There was confusion and I can see that in the emails between myself and Ms. Eich. She was asking questions like if she would be present for the appeal for just cause vacancy. There was a lot of process information and remember that on January 1st the amendments had gone into place for the just cause vacancy. It was new not just for her, but for everybody. We took some time to walk through and explain just cause vacancy, staff determination, and self-certification. At some point in the process, they opted for staff-determination because the just cause vacancy did not make sense for them.

Moermond: So you provided that information, the decision was made. They would go forward with an application that would be for an increase in excess of 8%. You said that you had information already and you just transferred it, meaning you had information that you normally would have been asking for as a part of staff review.

Ferkinhoff: What they had done was filled out the online in-take form. We were able to take that information and moved it over into our staff determination application and they subsequently provided some additional information which we included in that staff determination application.

Moermond: Thank you, that helps. Are there existing orders, at least from August? I'm assuming that the June issues would have been resolved, how about the existing August 1st orders.

Ferkinhoff: Well, I know that last one, the rodents, flooding, broken glass, and garbage on the property. That complaint was dated 8/2/2023. I can check that out.

Sass: When I last checked there wasn't anything it was too new.

Ferkinhoff: It was fairly new, so we haven't seen anything come through.

Moermond: Do you have any other comments? Anything that makes this particularly different and unusual? We know the complex is huge. I have to say the largest one that we had in this hearing room that we had to review.

Sass: Certainly, one of the largest, probably the most financially complex with the scale of renovation going on.

Moermond: Any other comments that you both want to make while reviewing the report?

Sass: I did look up to the most recent complaint from the second of this month and it is currently marked as closed. I will just read out what it says here in the Fire Prevention: "I took a look at all 3 floors spoke with the manager and maintenance. No one was aware of flooding in the garage, flooding or standing water on the property. I knocked on 4 doors, and no one said they had mice or roaches. The grounds people were cleaning around the building." This was around noon on August 3, 2023, the following day.

Moermond: Obviously you're there to ask questions of. I'm going to invite Ms. Hanson, Mr. Poradek, Ms. Mohamed and anybody else. I am going to turned over to you folks and ask you all to draw my attention to those things that you think need to be considering, not only yesterday's submissions, but to overall present your information. I'm asking for an overview in a couple paragraphs would go a long way too inviting others to understand what is going on.

Poradek: There are several elements to our main arguments, one of them just developed in the last couple weeks when we had a chance to review DSI data practices production. That's the reason it was so late we got it the 21st [July]. I do apologize it was so late. I would like to focus a little bit maybe more on that at some point today because this is probably new to you. The big thing that was driving this from the beginning, and there's many issues with that property, but the one that we think is the one that needs to stop this rent increase and its tracks is the comprehensive lead and asbestos violations at the property connected to the very renovation that is driving the rent increase. They're in a position now where capital improvements, which is largely this renovation, and then effects on the budget cause by the amortization of those capital improvement projects. Those are all very clear violation in our view. We have an expert report to this extent of the lead and asbestos laws that are at the core of health and safety and therefore, the core of habitability in code 161. These are buildings with wide issues that is happening in individual units now. It's also been happening since they started the renovation, and you can see millions of dollars that are already been expended. That was all done in violation of asbestos laws. We have our expert Greg Myers here today and I will ask him to focus on a couple things, perhaps educate your honor on the basics and let you ask him questions if that's okay. I'll maybe wait to address that more fully right now. The other main thing that has come to light is what we see in the documents we got from DSI and the process that occurred here in terms of the approval ultimately of these huge rent increases. We see a process in which DSI did not fulfill its legal duties. There's a number of them and we write what they are in our letter but the two biggest ones that jump out with respect to lead and asbestos violations are the following. First, there needs to be a reasonable investigation that's a requirement by DSI and it needs to be not just for appeals, but it has to be for complaints. In this case, we filed in February an initial complaint that gave a heads up that this was an issue, and then the expert report at the end of February. We filed a thorough complaint, as I've ever filed in federal court. It's an expert report that would pass certainly. We wanted to make sure that when the city was evaluating this application, it understood what was at stake. It isn't just a technical legal violation it is the health and safety of every tenant family there, including children. What we discovered in the documentation is that there was an initial concern. We have an e-mail from Angie Weise sent an email shortly after we submitted on March 2, 2023. Ms. Weise send an e-mail to a lot of her senior staff and to Mr. Sass and Ms. Ferkinhoff, saying in the passing of Steve Ubl who is the City Building Official, and said that she's concerned and says, "has the contractor tested for lead and asbestos? Are they taking precautions, as is required if there's lead and asbestos present." You'll hear Greg Myers say

those are 2 of the 3 right questions to ask. Has there been testing to confirm there is a lead and asbestos, and if there hasn't been, is there a presumption lead and asbestos being there? The law dictates what that will be fundamentally if it's for lead its before 1978, and for asbestos I don't think there's a strict timeline from what I can remember, but you look at the materials that are going to be disturbed. In both situations she's asking the right questions and there would be a presumption that much of the renovation work they're doing, and we can see it's millions of dollars through the renovations of its exteriors, its new pool area, new units, new common area, a new office. That's major stuff, and even if you don't have to drill down, you'll see that's implicating those laws. Then when you drill down which Greg Myers did as best as he could in his report, then you're like no this is a no go right here. The first thing we did long before this rent increase appeal when we noticed this, I think last June and July, is when we started to get alarmed. We wrote a letter and said can you provide the same questions that Ms. Weise is asking? Can you give us the inspection reports, or can you give the documentation that you need to keep and maintain that you're doing all the precautions? Because when we interviewed people, we saw none of it. In fact, we saw ongoing renovation, which there is none of that signage, there was none of the different things you need to do in order to make it safe for this community of 216 families, many of them with children and elders, we were concerned. They just never sent to us the documentation, Mr. Mark at Marquette. This is back last year, and I just want to say we've been concerned about this for a while. Mr. Myers at that point is when he began looking into things. I think in late June of last year he toured the facility and interviewed different people and gathered information. This was a long-standing concern we raised with Haven, with Marquette, the property owners, and Ms. DeLisle. We wanted to make sure when this application was being filed that the city was fully aware was at stake there. That's why we submitted the report. What we find is that after Ms. Wiese expressed a very professional concern, we go into a black hole largely. What we do have is on April 7th, an email from Mr. Sass to Ms. Ferkinhoff. On 4/7/2023, Mr. Sass writes, "Good Day, Ashely (probably meant Angie) is wondering about the status of DSI's investigation into the report on Haven. We don't see any other evidence on DSI investigation into the report on Haven except for some building stuff. We're not sure what that means but could suggest there's much more going on that we know. This is our legal theory since their habitability concerns and habitability is key to an approval we need to get this sorted out to avoid being sued." That's what he writes continuing from email, "Angie moved our meeting to the morning. I figure we can ask her then." I assume that's Ms. Wiese but I'm not sure. Let's break this down, there is an investigation into the expert report on lead and asbestos at Haven. I mean, it's something you don't necessarily see in many of the documents from DSI. There's an admission that they have a duty to make sure that habitability is key to approval, so we need to get this sorted out to avoid being sued. I don't know what that last phrase means to get it sorted out. Do we mean to finish the investigation to make sure it's safe or is it that we need to get it sorted out in some other way, so it doesn't become a technical issue. I don't know but that's the end of it. That's the last internal document we have on the investigation until the report that was issued, or not the report more like an internal briefing, on the 25th of May, one day after the application was granted. This is the only other information that we would have been able to find. There's a date in that report which is exhibit S-2 that is in our supplemental material. It's dated February 28, 2023, Housing Justice Center submits an expert report and quotes, "and the company exhibits which suggest that lead and asbestos may not have been properly abated." It's not really saying that it is absolutely violating the law and it's not about abatement, it's about disturbance of that. In our briefing, the question isn't are you formally there to handle lead and asbestos? That's not the concern. It's when you're doing this kind of renovation, it necessarily disturbs substances that have lead paint and then have asbestos if the building is of a certain age, and what you're disturbing is of a certain type. That's where if it's a pre-1978 building, which this is 1976 building, then you need to follow all the precautions under these federal and state rules. That doesn't quite say it right. Here's the end point, it's unclear if lead-based paint removal and asbestos removal actually took place during the renovation. The City would not be the appropriate authority on this matter that's it. Our position is and I think what they're saying is this is something that other state entities do. For example, asbestos you have Department of Health and the Department of Minnesota Pollution Control, they're the people that would normally do it. But it doesn't mean that the Department of Safety and Inspection who has an affirmative obligation to make sure that habitability

violations in this context, that absolutely that's their job. If they don't know and it is tricky, then you contact somebody who knows. I'll just give one suggestion you can contact Greg Myers who had submitted a report in connection with a complaint from a tenant. We know from the ordinance that once that complaint is submitted, they have a duty to conduct the necessary investigation, and at the very least that involves calling us up or calling Ms. Mohamed up, and then Greg Myers, he's the experts expert. He trains people who work for cities and state government on lead and asbestos. I'm proud to have him as our expert, he is top notch and is completely available. He consults with government agencies all the time, which that didn't happen here. What we do have is dozens of communications about financial issues with Mr. Wood and Marquette, which we think is weird. But what's really weird, is contrast the dozens of communications with the amount of communications with Ms. Mohamed, who has a very professional complaints submitted with real evidence, a real concern, and the amount of the conversations we had with DSI either with the inspection and safety or with rent stabilization. This is our communication, we've got automatic reply saying, "we received your stuff." When Ms. Hanson, because it was silent for months, called Mr. Sass, he essentially says the inspectors are looking into it. That was it, there was no we need more information or we need help. There's nothing that is just cataclysmic in this context, it is a cataclysmic failure of their duty. So that's kind of the sum and substance of where these two things come together. The two issues, at the very least a strong prima facie case of very significant lead and asbestos violations. We think it's undisputed if you're an expert and looked at it, but understand people get their say. Then there is a rent increase of 25 to 75% based in large part on the economics of the capital improvement project. This is the great irony, the capital improvement project they're getting paid for and their getting to charge the tenants for it is the one that put all those tenants in harm's way. They've had to live through years of renovation that is unsafe to them under our theory of the case and that's bad enough, and illegal. The EPA (Environmental Protection Agency) has heavily penalized people for much less. The second shoe to drop is that by the way after you've lived through this you don't get the benefit of this, you are going to get displaced through this enormous rent increase. When you go back to the purpose of this ordinance I don't think anybody would believe what's going on here, and by the way nobody is more aware of the stake in terms of displacement here than DSI. I strongly encourage if you're going to focus on a few things, the first memo in which is dated January 1, 2023, that DSI sent to the mayor apparently initial thoughts for mayor meeting. This meeting was a meeting with tenants organized by Isaiah to talk about all the concerns that tenants have about the way they're being treated, including habitability issues. Right before this meeting which the mayor is going to have a listening session, this is what DSI writes and apparently submits to, we don't have the actual email to the Mayor but I'm assuming and went to him, "Well, Haven Battle Creek's business practices have left many taken aback. Yes, they have there's many tenants who think there's a big problem. Haven Battle Creek's application is very polished, well put together and without question represents a business deserving of an allowable rent increase per ordinance 193A." This happen in January, and it sounds like that there may have been some advice giving on the proper application to give but this is at the very beginning of the process. They made up their mind. It doesn't matter that these tenants are concerned about this. This is a heck of an application, and that doesn't just get said at the beginning of the process before they had our complaint or Ms. Mohamed's complaint. We can go back to exhibit 2 supplemental 2, where they use that very same language in discussing the appropriateness of this enormous rate increase. That mindset never went away and we walk through as best as we can in that supplemental letter, it absolutely infected the process and compromised it. This is a very much an appeal about how DSI messed this up. That's very much what this is now. Even if it weren't, it shouldn't be granted because there are clear habitability violations. When you put these two together, this needs to stop, this can't happen. That's our fundamental position. DSI knew what was going on and it's not like they were blind to their being problems here. We have Angie Wiese's emails saying lead and asbestos. This is a big deal are they doing the right things? We also have them saying in that memo they knew there was a large Somali population that would likely be displaced at the property. There's a large East African community and the unfortunate thing about this is that this rent increase will likely displace people. Well, that's the reason we have this ordinance to avoid that exact problem. Remember, in addition to a large Somali population, there are also a number of Section 8 recipients who are housed there. It sounds to me like Haven has decided not to do Section 8 anymore

but there are people there with vouchers in those units. This is what was said literally in the report, "They suspect that Marquette was letting Section 8 units degrade so that they could support a just cause vacancy." I don't have the exact language in front of me, do you have it?

Hanson: It's on top of page 4 of the supplemental letter.

Poradek: This is the exact quote, "This is about Haven and about Marquette. They purposely be failing Section 8 inspections to get to just cause vacancy." Purposely failing section 8 inspections means you're allowing the maintenance to degrade to a point where Section 8 people can't live here anymore and that's been happening, that's like major habitability issue. That's right in front of them that they acknowledge, nonetheless, they're getting a 25 to 75% rent increase. I'm saying a lot right now but those are kind of putting together the key themes that we see. I know that was more than 2 paragraphs.

Moermond: A couple of things here. Number one, what's your current rent Ms. Mohamed?

Mohamed: Can I pull it up, so I can give you an exact number?

Moermond: Yes. The other question I have related to this is the lease cycle.

Mohamed: Yes, so my lease ended I have been month to month right now.

Moermond: Which is to be expected in the situation that has been ongoing appeal. We have this happen when rent increases are stayed. I think that's a reasonable thing.

Poradek: There is another significant issue here that does go to § 161 but also other parts. It's the improper pass through of utilities under Minnesota Statute § 504.B.215 and that's explained in our briefing. You'll recall that one of the concerns that is addressed in the ordinance is the implementation by a landlord of the pass-through utility and if that's a new thing during the period that you're evaluating for the rent increase. That's something that specifically says they need to be complying with § 215 through it.

Moermond: We had the issue we worked on. It is these baby steps, and they get rewritten again. I'm sure everything does. Bringing this back to the month-to-month lease and you're concerned, you said utilities.

Poradek: There's a piece that's being added to the lease that we think is absolutely illegal.

Moermond: Pending the final determination, there has been an addition of a utility amount that exceeds the 3% increase.

Poradek: That may be happening some places, but my concern is when Marquette took this over in May of 2021, there were no pass-through utility cost to the tenant. After they took it over, they started to implement it with new leases. We think that Ms. Mohamed was one of those people. However, as you probably recall section 215 has a certain requirement that you're going to be adding to a lease you're going to be adding pass through utility charges, you need to give the right disclosures to the tenant. That including the historic cost for that building or for that unit or for that one year. That never happened here. That is a flat-out violation of § 215, and § 215 says violations of § 215 are also violation of § 161. I bring that up because in our biggest opposition here is that DSI has not complied with this requirement to make sure that the landlord is complying with § 161 and lead and asbestos is easily the biggest one but the failure due to the utilities is also one.

Moermond: Do we have the current rent?

Mohamed: Yes, I currently pay \$1,455, and that's not including utilities.

Moermond: How long have you been paying that amount? What was your lease cycle?

Mohamed: My lease started last year in about June. It is from July 1, 2022 to June 30, 2023.

Moermond: Tell me a little bit about the utilities, and what kinds of cost goes into that amount?

Mohamed: I'm on my portal so I can give you exact numbers. We pay about \$40 a month for water, about \$10 a month for trash, and then they charge us \$4.50 for a service fee. I have no clue what the service fee is about. We pay \$12.38 right now for gas but it usually goes up during the winter and is around \$40.

Moermond: That went into effect for you on July 1st of last year? Or was that the case in July 1 of 2021? When did you start to get billed separately?

Mohamed: I believe it started in 2022, a year ago.

Poradek: She was operating under the prior owner's lease until that point.

Moermond: in August your lease would have concluded. You are on a month to month right now. Everything else stays the same, no bumps there?

Mohamed: We were never offered a new lease and we were never told that our lease was going to end. We just kind of presumed it is month to month.

Moermond: You have attorneys who can show you. It does exactly that month-to-month transition. [inaudible, multiple people talking at once]

Poradek: Yes, that would be the standard language.

Moermond: I was referring to Minnesota's standard lease forms, that most landlords' kind of roll out and modify. Big corporation I'm sure they have their own. You indicated that you filed a complaint, or you file the complaint on behalf of Ms. Mohamed in January for February?

Poradek: February 15th I believe it was filed with The City.

Moermond: it was filed because of lead and asbestos concerns?

Poradek: We filed the complaint raising the lead and asbestos concerns but had already received notice that the landlords were applying for a significant rent increase. We wanted to make sure this was part of that decision-making process. We filed the complaint also as a challenge to the requested amount. There are 2 different ways the complaint could be viewed as a rent stabilization report or as a direct habitability complaint. We documented everything, we weren't 100% sure, but we see a number of other tenants submitted complaints either informally at these meetings or formally through the portal. We know that we've been able to talk to a couple tenants and we've looked for documentation but no response from Department of Safety & Inspections. DSI probably talked to Marquette at least 50 times in that period. We have a timeline we can provide at a very high level. As far as we know, they never talked to a single tenant about their actual complaints or did any follow-up.

Mohamed: DSI was actually at one of the meetings where ISAIAH was in attendance for assisting people to file complaints.

Poradek: ISAIAH played a critical role, as did other organizers, in getting to the City's awareness of the scope of the problem. It is incredibly frustrating to see that the work and effort that all these entities did,

have people encourage to stick out, like Ms. Mohamed is. That's a place where we have allegations of significant retaliation, and to have that not listened to and not taken into consideration. Putting aside the legality of that, it's not the way the system should work, but we also think it's a violation of the ordinance. This is the first time we have seen this staff report. You'll note that the reasons for the rent increase included a capital improvement project. That capital improvement project is what we think severely violates lead and asbestos law. There's a statement below that on the first page that begins with the paragraph, "According to information provided by Ms. Eich, from the landlord. Ms. Eich indicated that the apartment buildings were built in 1988 and many of the units still have the original amenities and décor." The actual construction date, that's a misrepresentation by the landlord. They were built according to every record we've seen in other public statements from the landlord it was built in 1976. This is important because in 1988 would not lead to the presumption of lead paint, however 1976 does. I think it's interesting the application provided by the Haven of Battle Creek where it is understood that as a business they want to make sure that they are maximizing their rent increase through whatever procedures made available by the City. They were really building up how much renovation they've done. There are a number of e-mails that are in the documents showing that they did extensive work on the exterior. This is noted here in the report on paint, of course implicates lead paint. The outside is just as important to be careful about it as the inside. Asphalt is actually presumed to contain asbestos. Under many laws you have to assume there's asbestos in it. You need to actively test or take extraordinary precautions. There's a new roof here and roofing classically disturbs significant amounts of potential asbestos and lead paint material. Balconies were refurbished and there was new work, and additions made to those which can implicate lead and asbestos issues. Then you go to the interior.

The part to be most concerned about renovating are the common areas because of air flow. There's a new leasing office, a completely renovated indoor pool, a new fitness center, they are working on lobbies, and painting hallways, stairwells and doors. Greg Myers and I think those are red flags. That's interesting because it's in the report but again we're not having anybody look at lead and asbestos. Another thing that jumped out was it says, "as this was a complex application, a substantial amount of finance around and analysis was required. Significant level of communication took place between the Department of Safety and Inspection staff and Marquette representatives between January and May 2023." I guess that's fair, there could be some level of communication. What we see in the documentation now there's a level of partnership between DSI and the landlord in getting numbers that will work. We can talk in different ways, and you look at many of those documents. But the one that truly concerns us the most is an e-mail that was sent, this is in our letter in Section 5, page 8. We put the e-mail in here because it was so alarming. It's a March 31st, email from Mr. Sass to Marquette executive Jason Wood. It was sent 7 weeks before the actual determination was made. The official determination was made to increase rents from 25 to 26%. That's where we ended up 7 weeks later. To position you on March 31st, that's the exact same time that you're seeing e-mails about there being an investigation into lead and asbestos violations. There is an ongoing, theoretically neutral, investigation going on to the most important health and safety violation, and this is the e-mail that was sent by DSI to Jason Wood and Cheron Eich. It says, "I have essentially finished my portion of the process and calculated the potential rent increase allowances. I cannot share, yet the full results with you but the rent increases for the units range from roughly 25 to 75% when capital improvements are accounted for." Seven weeks before there's a final determination he says that's still being reviewed. There's an e-mail that goes out to Marquette that is essentially telling them here's the increase you can expect and really essentially saying, "we think it's going to be okay." It is utterly improper on its face. You never want to see that in a supposedly neutral process.

Let's contrast it to the information the tenants got. The tenants who are affected by this recognize that they are likely going to be displaced. Absolutely no response that we know of to any of the tenant complaints that have come in already. Do you think the tenants got a heads up about this rent increase that they were going to say, "Oh yeah, it's likely to happen in the future?". No. They found out when a bunch of postcards were mass mail to them after the decision was made, not 7 weeks ahead. We're

going to talk about those postcards and I'm sure you're wondering why are people not appealing and what's going on? There's plenty of sociological reasons for that. The biggest one is they sent out a postcard with a bunch of text on it and was buried in really small print saying "oh, by the way here's your rent increase." Long before these postcards went out we have this communication from Mr. Sass and then the letter that was actually sent on the day it was approved. It's a very nice letter on Saint Paul City letterhead, telling them, here's your rent increase, and there's a graph at the end that explains everything. We have no idea why the tenants at HavenBrook were mass-mailed something that we are assuming many of the people either didn't understand or ignored. We have some evidence to that effect rather than at least getting a letter. The fact that they got it when they did, under the circumstances of these communications with Marquette, isn't right. We think is another reason why this rent increase can't be approved.

Last couple comments on this staff report, we just don't understand why they're talking about this 26-80% rent increase and unit 303 was 26.48%. The increase was entirely attributed to net operating income with no increase allowed for renovation. That just isn't true because number one, part of the reason for all the difficulty and challenge of this process was the complexities of the financials due to the amount of renovation. There's no question that the renovation played a direct role in these exorbitant rent increases, it also feeds into the net operating income.

Cann: The operating expenses that were used to calculate the permissible 26.48% rent increase included \$323,455 of amortized capital expense. The cost of those renovations that applied more or less across the board constitute a substantial portion of the rent increase.

Poradek: the last Fire Certificate of Occupancy was approved on February 23, 2023, as a class A property. This is something that's a big part of our litigation, at least in the lawsuit we filed which we did provide immediately to the city because that's even more detail about why there's habitability and other problems. We said to the city immediately and that's when we asked to stay the proceedings until that had been adjudicated. We think they did not have a Fire Certificate of Occupancy for most of the period in which they own the property. At the beginning of the process in late 2015 when the last Class A Fire Certificate of Occupancy was issued there are e-mails and notes before February 2023 in which I think somebody in Rent Stabilization made a note the last Fire Certificate of Occupancy was way back in 2015. They didn't say what the next thing is, that means they don't have an active Fire Certificate of Occupancy. At the same time that they're applying for this rent increase they actually aren't complying with one of the core regulatory provisions in Saint Paul Health and Safety Law for buildings. They don't have the Fire Certificate of Occupancy, so that's a huge problem from a habitability perspective. If there's a new owner that takes over the building, which they did in May of 2021, they don't get the benefit of the prior Fire Certificate of Occupancy they would need to reapply.

Moermond: No, they don't. They need to file a form with the Department of Safety Inspections in the transfer of ownership. That's not a reapplication. The Fire Certificate of Occupancy is attached to the building not the person.

Poradek: We're on the same page.

Moermond: I wouldn't say exactly on the same page.

Poradek: I didn't mean to say same page. The issue is that there is no record of them ever filing that application, and all the things you need.

Moermond: it isn't an application.

Hanson: There's the form and I believe there's a fire alarm and carbon monoxide affidavit.

Poradek: There are no record of those. For months were requesting information from Department of Safety & Inspections about this but we never heard back. Finally, we got the response from Department of Safety & Inspections that they don't have that information. We don't have the new ownership document; we don't have the carbon monoxide and the fire affidavit.

Moermond: from my years of experience, what happens when someone submits those affidavits in the computer system the inspector will mark that order as having been abated. The inspector reviewed the form found it to be acceptable and the form is shredded. When the forms come in with the new ownership information it is put in the computer system, so the form itself is gone. The computer system doesn't maintain the document. That's the bureaucratic process behind the scenes. We (the Legislative Hearing Office) hand these forms out because I always want people to have current information.

Poradek: This apparently is a very systematic issue.

Moermond: Ownership changes hands. There's a lot of people who've never done this kind of thing before. Every city operates differently.

Poradek: It's something that should have been investigated, and one thing we know is that there wasn't a Fire Certificate of Occupancy, a new one, until February 2023. Best case scenario, even if the documents were destroyed, the record shows it wasn't until 2023, that they had received a Fire Certificate of Occupancy. It's a big problem. It is our point. There have been many more complaints of that property that were listed, so I don't know why those particular items made the list. There is this note of it being in the process of being remedied, well these things have to be remedied. Those are my notes. Ms. Mohamed, you've had a chance over the last few days to review some of the DSI's internal documents that were produced, correct?

Mohamed: Yes.

Poradek: since you are the person who file this appeal, what's your reaction to what you saw?

Mohamed: I felt very betrayed because DSI has been to several tenant meetings. Lynn herself has been to several tenant meetings with us. Where we've talked about tenant issues, building complaints about habitability. Where we talked about mice, roaches, and a bunch of different rodents in our building. We also talked about renovations. We felt like DSI was there to help us but we never got any response back from DSI after all those communications at those meetings, and now to see that DSI is communicating with our landlord helping them throughout this whole application processed yet ignoring us. It felt like they're there to protect landlords rather than they are to work with tenants.

Poradek: Could you tell me a little bit about the tenant population at Haven of Battle Creek?

Mohamed: Yes, we are a predominantly East African Somali Muslim population, as well as people with Section 8. I myself don't have section 8, but there are other people in our building who have Section 8.

Poradek: let's talk about the vibe before Marquette was there.

Mohamed: It felt like a family, neighbors would chat with each other. We felt comfortable with the leasing office, we were all on first-name basis. We felt comfortable going down there talking to a leasing office about issues.

Poradek: I don't want to get to sociological but why were there so many Somali tenants in that place?

Mohamed: because it felt like a community. When you come to a new place, you don't want to be around people you don't know. You want to have a sense of belonging, a sense of community. That's

why that building it's predominantly Somali and a couple blocks down is another predominantly Somali building. We all come together, hang out and raise our kids.

Poradek: Let's talk a lot about that. Generationally, what does that particular community look like?

Mohamed: There's multiple generations living in houses most of the time. Some families have grandparents, their parents, and the children all in one house. Even if you're not in the same house as them, you're all in the same apartment complex where you can go two doors down and go over to your grandma's house.

Poradek: Tell me about the vibe after Marquette took over.

Mohamed: Because of the property management, it feels hostile. You don't want to stay outside of your apartment for too long, it feels uncomfortable. I don't stay outside my apartment for too long. I get my mail and go straight into my apartment. I don't really communicate with my neighbors as much as I used to.

Poradek: You were asked by Ms. Moermond about being month-to-month. I think you said that you have not been offered a new lease. I believe if I recall you did attempt to look into a renovated apartment. Can you explain your experience?

Mohamed: Yes, I saw that there were several units with 3 bedrooms that were available and renovated. I asked the office if I can get a tour of it, and I was told that there were no units available and that she will email me when one becomes available for a tour, that never happened as of today. When you're on their website they still have units available.

Poradek: Didn't you have a friend who did apply separately who isn't Somali?

Mohamed: Yes, my coworkers, who is a very good friend of mine applied.

Poradek: Where do you work?

Mohamed: I work with victims of domestic violence, I'm a legal advocate. It's a nonprofit, where we work closely with the city as well as police. I asked my co-worker to apply and see what happens because I felt like I was being targeted. I asked her to e-mail them and possibly get a tour for a 3 bedroom. She emailed Marquette and they have been e-mailing her several times to get that tour scheduled throughout the month but it's still crickets with me. I still have not received a response.

Poradek: Who do you deal with in particular?

Mohamed: Kelly Delisle, she is one of the main property managers. The leasing agent is her daughter-in-law, Sierra.

Poradek: Lets go through these photos [refers to picture package they passed out] really quickly. I want to ask questions about what kind of renovations are going on. When did you first notice that there was kind of significant renovation happening after Marquette took over the property?

Mohamed: I think probably right away.

Poradek: The first picture is a picture of exterior of a building with a 200 number. What is that?

Mohamed: This is our building Haven of Battle Creek the 200 Winthrop Street side.

Poradek: This is I believe an image we pulled off their website. Does that look right to you?

Mohamed: Yes.

Poradek: Just looking at that since they've taken over the property, what changes were made to the property before they took over that are now represented in this photo? What jumps out at you?

Mohamed: They completely change the color of the outside of the buildings like the balconies as well as the break area.

Poradek: And did they repaint?

Mohamed: Yes, they repainted it.

Poradek: Were you present during the painting of the exterior?

Mohamed: Not for the whole thing, but for some of it, yes.

Poradek: Do you recall seeing things like sanding off old paint, scrapping old paint?

Mohamed: Yes, it looked like they're kind of scraping it off to get to the base.

Poradek: You said something about the balconies, can you describe what the balcony changes were?

Mohamed: They added these border things. There is also this wood thing hanging down from the balcony all the way to the bottom to the top. That was all added by them, and they changed the color and the wood.

Poradek: you remember them doing work on the roofing? Describe that project.

Mohamed: that was a major project because they completely closed our parking lot on the 200 side and shut the garage. We couldn't go in and out that way, and we had to park on the street or walk around the building.

Poradek: Is this one of those things where they're tearing off the old stuff and material and throwing it down?

Mohamed: Yes.

Poradek: There was significant disturbance of materials. Did that happen with Marquette?

Mohamed: Yes.

Poradek: We're going to turn to the second image. Again, I believe this is taken from the website. This looks like a pool area, and is this pretty accurate rendition of what the pool area looks like now? Can you describe what the pool looked like before or talk about the changes that were made?

Mohamed: Well, we'd be sitting here for a long time because they completely re-did this whole area. They completely demolished the walls where that window is because there were no windows before. It was a concrete wall.

Poradek: That would have been solid. Where there any windows at all?

Mohamed: Probably all the way at the top. There was like a small line but nothing else.

Poradek: Was the pool operational when they took over?

Mohamed: No, someone had thrown tables and furniture in there, so it cracked. The previous property owners had told us that it was too expensive, so they weren't planning on reopening it again. They were talking about ideas to even fill the pool and just do something else completely different with the room.

Poradek: And then what happen when Marquette took over?

Mohamed: It closed for a while and then reopened. They fixed all the issues with it and made it look prettier, more aesthetically pleasing.

Poradek: What was your view of the work they were doing? What did you see they were doing?

Mohamed: We couldn't see anything because it was completely closed.

Poradek: For both the exterior work we talked about earlier, and for this, do you remember seeing any signage that said be careful, there could be lead or asbestos?

Mohamed: No.

Poradek: Do you recall getting any notice?

Mohamed: No.

Poradek: Let's look a little more into some of these photos, you also took some of them. Can you describe photo 3?

Mohamed: Yes, this is construction in one of the apartments on the 3rd floor next to mine. It looks like they completely ripped out the flooring and they're doing something different.

Poradek: It looks like the base boards have been removed, correct?

Mohamed: Yes, and they are painting because there is tape.

Poradek: You took this picture just through an open door.

Mohamed: Yes.

Poradek: Is that typical? How extensive is this interior kind of demolition and renovation, and how frequent is that?

Mohamed: Almost every day.

Poradek: It is still going on now?

Mohamed: On some parts of the building. It's just not as visible anymore.

Poradek: who does the work and why isn't visible?

Mohamed: DOSI Construction. They are a bunch of men who don't speak English, and they are really nice. It's very hard to ask them, what are you guys doing and those type of things. I've been noticing that they're doing construction either very early in the morning or likely during the evening.

Poradek: How do you know that?

Mohamed: You can hear it.

Poradek: What are you hearing?

Mohamed: Just pounding, like you can tell there's construction going on. My neighbor who doesn't really like the construction tells me about it.

Poradek: what is in photo 4?

Mohamed: An apartment I took a picture of with DOSI doing construction. They completely took out those cabinets, right where those ladders are at. That's where the kitchen is, so it's missing all those kitchen cabinets, sink and dishwasher.

Poradek: That blankness at one point was filled with fixtures?

Mohamed: Yes.

Poradek: Who's this gentleman?

Mohamed: He works for DOSI's Construction.

Poradek: We are in picture 5, how do you know he works for DOSI's Construction?

Mohamed: Because he's in most of the pictures I've taken, and he wears DOSI's shirt.

Poradek: Okay. What is he doing here?

Mohamed: Taking out all the stuff he took from the rooms, like the cabinets, the carpet.

Poradek: Again, are there signs or barriers? A notice that's been delivered to you to watch out? We then turn to photo 6.

Mohamed: No, there was no signage or letter. That was just left in the garage, and there is no sign that said don't go near it.

Poradek: This is a pretty common sight. Now, I don't think you took this picture 7 [referring to the picture package].

Mohamed: I think this is one I took.

Poradek: Well, then just described if you think you took it or are familiar with what you see in the context, share your thoughts.

Mohamed: So, this apartment I think this is actually one of the first ones I took with the construction. It's two doors down from my apartment. It's missing the countertop in the kitchen, and the flooring is completely gone.

Poradek: We see wood floor, and then you can see there's like something like vinyl. Presumably vinyl was torn up, right? It looks like there's been a lot of damage done to that threshold.

Mohamed: And then like the electric light switch they completely took it off.

Poradek: what is photo 8 of?

Mohamed: Debris from their construction, dust.

Poradek: is this a common sight?

Mohamed: Yes.

Poradek: When the people are doing interior, even though it's inside the unit, you're seeing tons of dust and other things out in the hallways?

Mohamed: Yes.

Poradek: describe photo 9.

Mohamed: This was water damage in front of the entrance to the courtyard on the ceiling. It was like that for quite some time. I took progress pictures.

Poradek: Is it relatively common to see that kind of water damage in the ceiling? How is your understanding, how did they address water damage?

Mohamed: Pretty much similar to that. We had an incident where it rained really bad and we got a water bubble in our ceiling. When we called maintenance, they just popped the water bubble and left it as it is, and to this day no one came to fix it.

Poradek: That's in your apartment. Describe photo 10.

Mohamed: It looks like they took out the base boards from the floor.

Poradek: I think 11 is a photo that was taken by Greg, so we won't look at that. The last item I wanted to talk to you, but we already kind of talked about utilities, is the postcard with a notice. Describe your experience with that because I think there's a question of why more people weren't appealing.

Mohamed: The postcard was very hard to understand. It didn't explain the appeals process. On top of that where it said the rent increase was approved was in a very small print. All that we saw was approved in bold, so you don't really know what's being approved. The only reason I was able to understand is because I knew this was going to be a process to expect after we got the first post card. It just felt very disappointing because our building is predominantly immigrants where English is not a primary language they speak and the different languages were written so tiny. It was impossible to read, especially if you had a horrible vision. It felt like they were telling me I want a vacation rather than my rent was going to be increased.

Poradek: Did you talk to any other people about the post cards, can you describe it?

Mohamed: Yes, other people in my building thought that it was junk mail, so they didn't even know what I was talking about until I showed them a picture of my post card. Others said that they hadn't even gotten it. I spoke to about 10 people about this.

Poradek: Overall confusion, lack of knowledge.

Mohamed: Yes, and it was really hard to understand the appeals process from the postcard.

Poradek: I guess the thinking about the potential difficulty of appealing in these circumstances. Do you have any other thoughts about why?

Mohamed: According to other tenants, our landlord gave out Q and A's about this rent increase. I never received one. It made it sound like this was set in stone, not something you would appeal and it also gave false hope. It made it sound like they weren't going to use the rent increase that they applied for.

Poradek: What do you think about the \$25 appeal cost?

Mohamed: I think if you're in a hard place and you have to decide between diapers, baby food and filing this appeal, you're not going to want to pay the \$25. We were trying to see if there was a fee waiver for filing appeal. You guys don't have a process to waive fees for appeals.

Moermond: What was it ever requested?

Mohamed: We didn't know who to ask. It doesn't show in that process.

Poradek: We paid for her.

Moermond: Here's the thing, one chapter on the legislative code says that I can waive the fees. I waive them only one circumstance, to be clear, and I waive them when SMIRLS represents a client. Now, you as a nonprofit, could make a similar representation about the economic circumstances of your clients that SMIRLS would make. That's kind of where I'm at with that. If someone qualifies for legal aid, you're not having to pay the appeal fee. To be fair it doesn't cover any costs that are associated for us, it is kind of like a please show up. It hasn't been changed since 1990, but I hear you and I struggle with this because I know where you're coming from right now and looking at the cost of it and how we deal with income is super tricky. Do I then take on the role of asking for financial information from applicants and making it even worse in order to treat people fairly? I'm sorry you had that experience and that it felt that way. I just wanted to speak to my practice and that if you had a similar client coming forward, I would certainly look at that as a part of my review process. That's how I work on it.

Poradek: I understand everything you're saying. I think our point is that it's just a barrier for people. I mean, not even an economic one more of a psychological one.

Moermond: Bureaucracy is the largest barrier of all in understanding of what's going on. What do we do with limited English proficiency and notices and so on. All of these things are good to come to mind and how do we change things moving forward? We're not that far down the road in implementing things and I'm trying to picture the post card that goes out. I hear you. These are things that need to be worked on. Thank you for saying something. That's really what I wanted to say.

Poradek: did you have anything else that I missed?

Mohamed: I just wanted to reiterate how it was very frustrating not to get any form of communication from DSI and to find out that they're communicating with landlords. That was just a slap in the face.

Poradek: Mr. Myers, could you explain your background?

Myers: I've been doing environmental consultant since 1987, and prior to that I was a police officer for 12 years. I am licensed as an asbestos inspector and management planner, project designer, asbestos

supervisor, also as a lead risk assessor for lead product designer. I teach, and I am licensed to teach, lead disciplines, worker's supervisor, lead inspector, lead risk assessor lead, and product designer. I've also taught all the asbestos courses. I am also certified as a MicroBilt Consultant.

Poradek: certified on what?

Myers: MicroBilt Consultant [mold]. I sat on all of the advisory groups for the State of Minnesota during the development of asbestos and lead rules. I have also been a member of the National Institutes of Building Science when they're developing the model specification for asbestos and lead operation maintenance plans for buildings. Tested thousands of buildings for both asbestos and lead.

Poradek: Would a property manager ever hire you to get advice on how to properly do work for a renovation?

Myers: Yes, they do that quite commonly. It's one of the requirements prior to doing renovation/remodel activities to have them inspected for asbestos and lead. But even under The Occupational Safety and Health Administration (OSHA) , if they're not going to test then they have to presume that lead could surface.

Poradek: A company like Marquette could have hired you, correct?

Myers: Yes.

Poradek: In terms of cities, do you work with cities in terms of a consulting role?

Myers: I have worked with cities in conjunction with inspections, as well as pollution control for the city of Minneapolis, community planning, economic development, trained several of their staff, both in, city, state and county.

Poradek: If somebody from Saint Paul had contacted you to get more information about the report submitted, would you have been able to help them?

Myers: I believe so.

Poradek: Just to confirm you did submit a report for this case?

Myers: Correct.

Poradek: Let me just first ask before we get into the particular property here. I am trying to use some of your teaching skills to just give an overview of health and safety issues with respect to lead and asbestos. How do you explain it to a lay person?

Myers: there is no safe level for either asbestos or lead. The effects come in different forms of it. Asbestos is more airborne contaminant, which goes into the lungs and can cause various forms of cancer, like mesothelioma. Lead affects most of the body but has the least effect on the respiratory organs. However, it has the greatest effect on is the central nervous system, circulatory system, liver, spleen, and kidneys.

Poradek: What is the concern about lead paint in particular?

Myers: Well, mostly detrimental for the development of the central nervous system, brain cells, large tunnel impulses. High extensive levels can lead to coma, seizures, and death but those are fairly rare.

Poradek: I've heard that children are especially susceptible to lead issues?

Myers: That is correct. They have a higher metabolism, slowing metabolize lead that they come in contact with around 40 to 50% what they are supposed to, for adults probably closer to 5 to 15%, and for pregnant women depending on the women's diet and nutritional factors of it, she can also absorb 40 to 50% which is exposed to during pregnancy.

Poradek: can you lay out regulations for contractors?

Myers: Well, for contracts we've had the lead in construction standards since 1971, revised again in 1993, and for the general industry in 1978. Minnesota's has had lead rules beginning in 1992, which also require contractors to take it as an education credit to maintain their general contractor license. As of 1999, anybody that was a property owner since 1996, have been required to disclose any hazards that they know, and if they don't know they have to hand the Protect your Family Home pamphlet.

Poradek: What is the Protect your Family Home pamphlet?

Myers: The protect your family from lead in home pamphlet describes the hazards associated with lead as part of the awareness of it. It's part of the education process. There's a paragraph in their sales or lease agreement that basically says that a property before 1978 it may contain lead hazards. In 1999, the EPA came up with the requirement that prior to any renovation, remodel and restoration activities and residential properties, they had to hand out that same pamphlet. If they were going to disturb 2 square feet or more of coated surface, a large interior surface area, and 10% on small surface areas, and 20 square feet total outside.

Poradek: So, 20% outside, 20 square feet.

Myers: No in 1999, It was 2 square feet. It followed the Housing Urban Development requirements. what they considered to be inactive for work activity.

Poradek: I heard some reference to the RRP rule. Could you explain what that is?

Myers: Renovation Repair and Painting program came out in 2010, and required any contractor that was disturbing more than 6 square feet in an interior area, or 20 square feet outside could be done as a maintenance. If it was less than that it was a regular project with some other stipulations. Selective demolition would be triggered as well through the window replacement or anything like where they would be replacing building systems or components.

Poradek: How did those regulations play out? What are some of the requirements under the RRP rule?

Myers: They have to at least have one certified renovator assigned to every project and all the other people at must be trained under that certified renovator.

Poradek: Do property management companies need those?

Myers: yes, property management companies would have to affirm with subcontractors and have staff within that organization that are properly trained in using practices that are part of the process.

Poradek: You've looked at the certification records for Marquette Management and DOSI, correct? And have you seen that they have certification?

Myers: When I look, they were not certified.

Poradek: Let's continue to focus on the RRP rule. I hear about the presumption; can you explain what that is?

Myers: That means if they don't test then it is presumed that is lead.

Poradek: Okay, so if somebody wants to do renovation on a pre-1978 building that would disturb up to 6 square feet inside and then 20 square feet outside, they would need to either test to make sure it doesn't have lead paint, or presume there is lead paint, correct?

Myers: That is correct.

Poradek: Have you seen any records of testing of the exterior, and interior painted surfaces at New Haven?

Myers: No, I have not.

Poradek: Let's assume that they have not tested that, which would mean that there has to be a presumption of lead, correct? In that situation if somebody was renovating appropriately that would disturb the numbers, we've said what they need to do.

Myers: It would have been required if they are doing individual tenants to be notified or have signs posted in the entry of those work areas.

Poradek: Let's pause there. They notify the tenants, what would that be?

Myers: They'll be handing out the Renovate Right pamphlet.

Poradek: So, there's a pamphlet that the federal government provides?

Myers: They don't provide it, but it is mandated to be utilized for renovations.

Poradek: But there's language that a federal government has approved. Okay, go ahead.

Myers: They would be required to do containment, isolate the areas, lock out any ventilation systems, and things that can't be moved, that are not part of the scope of work would have to be covered using wet methods, power tools.

Poradek: what are the work practices you were saying?

Myers: whatever they're disturbing they are obligated to use wet methods. Or, if they are using power tools to use power tools that are attached to a highly efficient vacuum, and clean up with a HEPA vacuum, and wash and wipe everything down. They would be required to get a what's called a visual verification card for clearance. There's a required clearance at the end of each one of the projects. It would also be required at the end of the project to provide a copy of the report to the client within 30 days.

Poradek: It sounds like a lot of stuff but it's your experience that people will follow these rules. Is there a documentation requirement for having done all these things?

Myers: Right, also all those records have to be on site. They should have a photocopy or a copy of the firm certification. The individual diplomas of the certified renovators proof training the non-certified individuals, and occupant protection plan describing how they can protect the occupants should be

included in there. As well as any testing for presumption of lead should be in there as part of the process as well.

Poradek: Have you seen any of this documentation with respect to the renovation work at Haven?

Myers: No.

Poradek: Is not having documentation by itself, even if it theoretically it happened in the past, a violation?

Myers: Yes, property owners of any residential properties are required to keep it for property , as well as contractors and consultants and government agencies are required to keep it for a minimum of 3 years.

Poradek: Would you have a sense of why the lack of documentation itself is a violation?

Myers: It's kind of hard to describe it to a tenant when they're doing a new lease or anything else that those hazards would be present if they've had worked on it in the past, and what they did to protect them when they move back in.

Poradek: Let's talk about asbestos, are the rules around asbestos somewhat similar to what we just talked about with lead paint?

Myers: Correct, under the environmental protection of requirements in the renovation, remodel, and activities it must be tested prior to any of those activities. Under Minnesota Occupational and Safety Requirements (OSHA), they do require for any form of demolition renovation, modeling, and restoration activities to have tested prior to doing that work activity. The rule does put that burden on the property owner but also contractor. There is supposed to be a competent person that's able to recognize existing and predictable hazards and have the authority to have prompt and corrective action to eliminate them in conjunction with us. They should have general knowledge of any activity they're doing in construction that puts people at risk, including their employers and they are responsible from anybody outside of those workers as well.

Poradek: Have you seen any records that there was testing done for asbestos at Haven?

Myers: No, I have not.

Poradek: How do presumptions, or similar concepts kicked in the asbestos context? We know that generally speaking there's a presumption of lead paint in the pre-1978, buildings, is that the same for asbestos or is it somewhat different?

Myers: It is somewhat different. OSHA does allow contractors, or anybody that doesn't want to test a pre-1980 building, they can't presume everything is asbestos. But if they do that means that all the work would be done using qualified individuals, license abatement contractors and workers are certified.

Poradek: Is there a documentation requirement?

Myers: Yes, it would still be obligated to keep the records for any of those work activities for a period of 3 years as well.

Poradek: Is a violation of the documentation requirement itself a violation of these rules?

Myers: That is correct.

Poradek: We went through these with Ms. Mohamed [referring to the picture packet]. I believe she said that there had been painting, roof work and there has been work done on the balconies. As somebody who does this a lot, how does that raise a concern under the lead and asbestos rules we just discussed.

Myers: if they are doing the work she described them doing scraping and other things, there's a need to control those things. There should have been containment on the outside under the RRP (Renovation and Repair Painting) program. They should at least drop out the seal to the foundation 10 feet behind the foundation in all directions, all windows, and doors within 20 feet of any of the workers are required to be closed at a minimum. They would also have to put tape in a 20-foot perimeter and the sidewalk or other areas may be less. The staff doing work would have been required to be certified and trained or working under a certified renovator. During that worker activity they would be using the wet method and using the HEPA vacuum, covering any living vegetation within 22 feet of the workers. Not to work in windy conditions of 20 mph or greater, or when it's raining. As far as the asbestos requirements they would have to be lowered from the roof not dropped from the roof for that purpose. Roofing again, would also fall under the Renovation Repair and Painting program requirement by the Department of Labor and Industry to verify that in fact the roofing contractor was a certified renovator before issuing a building permit for doing that activity because they could disturb lead base paint as well in conjunction parapet caps that covers extra portions of the building or water infiltration.

Poradek: there is a photo of the new pool area, the renovated pool area. You heard her testimony about the before and after. Tell me what kind of lead and asbestos concerns would be triggered?

Myers: Well, anything that's dealing with any of the drywall or taping compound requirements would be a suspect control for asbestos, any of the coatings would be a suspect control for lead. It sounded like the pool area had damage, so the paint inside the pool could contain lead-based paint as well in conjunction with any of those areas. It appears to be a substantial renovation remodeling activity so they would have been obligated to again post a notice in a common area of this work and any entryways to the pool. It would have had to have signs posted, properly contain and isolate any ventilation systems within the pool area, proper containment and clean up using recognized methods if asbestos was part of that. The workers would have to be license for asbestos as well as the supervisors, and at least a certified renovator.

Poradek: We still see no evidence any of that was done here. Let's turn to photo three. What do you see from a lead and asbestos perspective?

Myers: Well, pulling off anything like base boards is likely to disturb the coatings. In my experience doing apartments often have vinyl flooring in them. They typically have some type of vinyl or ceramic tile, which it can also contain asbestos.

Poradek: In photos have you seen the kind of flooring material that would implicate lead concerns?

Myers: It would be asbestos for the flooring.

Poradek: I'm sorry, yes asbestos.

Myers: I did see cheap vinyl on floor tile on some of the apartments in there, as well as popcorn ceilings, where there was microbial and damage because of the water. Popcorn ceilings were still being allowed up until 1978, though the Department of Health has found some in a post 2000 building.

Poradek: So, popcorn ceilings are a potential asbestos hot spot, and then vinyl flooring is another potential asbestos hot spot. What else would be a potential hot spot? When you see this kind of work being done in an interior place, some might call it cosmetic. Would you call it cosmetic?

Myers: yes, and cosmetic changes can disturb asbestos.

Poradek: photo four shows cabinets removed. Does that raise potential issues?

Myers: Yes, you're disturbing coatings again. According to HUD (United States Housing and Urban Development), that's an eye dust activity. Typically, when removing cabinets under their criteria for lead-based paint. The seal around the cabinets, the sink and flooring can also contain asbestos and be a potential issue.

Poradek: seeing the work that has been done, what in your opinion and experience, should Marquette and their contractors have done before doing this kind of work?

Myers: First thing, would have been test for asbestos and for lead level based paint and if they don't test them they have to presume. Presuming means that it does contain asbestos or lead.

Poradek: I will have you look at a photograph 7, what do you see there?

Myers: I see floor and it looks like there's some torn vinyl flooring on the on there as well. Some poorly removed baseboards covering the cabinets, countertops, mastics in the covering of the toppings can have it as well.

Poradek: Photograph 8 you see this dust. What does that mean to you, as a lead and asbestos safety expert?

Myers: It appears that they're not using a form of safe practices, are not using shoe covers or anything else to help prevent tracking issues, and that is an issue. There's no sign on the door that would indicate what is going on there.

Poradek: what concerns do you have when you look at photo nine?

Myers: How they cleaned up whatever came down. Again, popcorn ceilings were prevalent prior to 1978, since it wasn't banned until then. That pulls a factor of how they're going to come in there that will ultimately likely be more than 6 square feet. That would trigger both the RRP as well as a July 21, change in the asbestos rules in the Department of Health.

Poradek: And what are those?

Myers: Those are if you are disturbing 6 square feet, or 10 linear feet now becomes a regulated project in any residential property. That Renovation and Remodeling activity would be notifiable and the use of qualify contractors and proper controls containment.

Poradek: When you say popcorn ceiling, what do you mean?

Myers: The texture on the ceiling where they applied the spray.

Poradek: what is the concern about removing baseboards?

Myers: the vinyl base covering can also have asbestos in the mastics.

Poradek: tell me why you took photo eleven.

Myers: Because of the sink dander from the cabinet top often contains asbestos. That is the black stuff in the bottom to help minimize noise when you are using the sink.

Poradek: That often contains asbestos. What about just the storage of the demolition material here, does that raise any concerns?

Myers: Well, it wouldn't be the proper disposal of asbestos that is required to go to a landfill that will take it, and they are required to have it in a sealed container. The landfills are required to bury any asbestos containing material within 24 hours under 6 inches.

Poradek: would these rules be a surprise to a professional contractor?

Myers: It shouldn't be a surprise because they are supposed to be aware of all these rules and regulations. This is part of their continuing educational requirements.

Poradek: What about property management firms, those typically would expect them to be aware of these. Do you recall when we specifically alerted Haven to the problems with this property?

Myers: the summer of 2022.

Poradek: Overall, do you have an opinion as to whether there's been a violation of lead and asbestos law at Haven during the renovation projects based on your review and by touring yourself?

Myers: Yes, based on what I've seen and observed, as well records requests and nothing being provided. I spoke with Department of Health and Minnesota Pollution Control Agency, and they have not seen a reports of either lead or asbestos.

Poradek: not having reports, not having documentation is a violation, and that's well known.

Myers: Based on the physical aspects of the units that are in the photographs, as well as ones that I observed, the dust in the hallways, and the open carts and other stuff being transported through the common areas, these are all putting tenants, staff doing the work, and other people at risk.

Poradek: I was looking at the staff report where the listing of the renovation is done. There's significant capital improvement renovation going here with just a simple list of items being done. Does doing exterior painting cause you a concern for lead and asbestos compliance perspective?

Myers: For sure for lead.

Poradek: What about asphalt?

Myers: Asphalt can have it in it, it could be rare. It could contain asbestos.

Poradek: What about roof?

Myers: Roofing membrane and ceilings and slip sheets and things like that can also have them in them as well, depending on the age of the roofing materials.

Moermond: we spent a couple of hours covering a lot of territory, and I appreciate that you have a lot of territory to cover, but I also want to give an equal opportunity to New Haven. Does staff have questions or comments at this time?

Sass: I'd like to apologize for the colloquial language in my e-mail to Ms. Ferkinhoff. I don't want to undermine the importance of habitability at the property during the application process between colleagues sometimes language evolves like that, I apologize. Before I go down the route of comments, there's some additional items that are presented in the letter by Housing Justice Center that we have other comments on but were not presented here today. Would you like those to be responded to or in writing?

Moermond: Meaning in the letter received yesterday?

Sass: Correct. With in mind that I would like to leave time for Haven to speak within the 25 minutes remaining.

Moermond: Maybe do this in writing, and we'll see where things progress here today. You have not had a ton of time to pull your thoughts together.

Sass: I'm able to speak to some of them.

Moermond: a more complete, thoughtful response that would be more useful than multiple responses and multiple points in time dealing with different issues. What I'll do is invite you up, Mr. Wood. There was a lot of information, and today we're talking about your application to get an exception to the 3% rent control cap here in the city. There is the provision that you can get a reasonable return on your investment, and what that looks like is that there's a bunch of criteria that are laid out, that would be the basis for staff review.

Woods: I did take a couple notes down if you don't mind me reading. I think some of it is already shared within Ms. Eich's email. Marquette has been around for 40 years and our partnership with the ownership group is DRA advisors. This relationship has been going on since 2013. We own over currently 45 assets throughout the mid-west, Texas, Tennessee, Florida. There is a level of sophistication and professionalism there in how we operate. We do look for opportunities to improve upon an area and improve upon a building. When we found this opportunity was previously known as the Phoenix Apartments, they significantly were under-managed, a lot of deferred maintenance. I read some of the violations that were provided in a letter yesterday. I mean, the list goes on and on for what we inherited when we purchased the property. Our main focus coming into this was to improve upon the resident experience that is in place at the property and bring up the standards that we believe in, and what the residents in the community deserve. We purchased the asset May 17, 2021, and over the past 2 years have invested nearly \$3 million in improvements to bring up the significantly under-managed, under-maintained property to institutional standards that is expected both of our ownership group and our management company, Marquette.

The rent control ordinance was something that was floated when we were acquiring the asset. As I understand that legislation didn't go in effect until the year after we purchased the property. Absent of your normal increases, whether it be inflation, cost increases due to supplies, materials, labor, rising utility rates, rising property insurance, real estate tax costs, and the interest rate environment that has significantly increased. I think the dangerous part about all of this is that the property owners, landlords, are brought to these hearings and questioned about the financial component of the application and are denied. There's going to be a ripple effect of ownerships groups, landlords, not wanting to invest into these properties, which I think will then further deteriorate the housing supply and stock for the area. I think for the most part that is why a majority of other municipalities, states and cities have not adopted rent control. An application was made on behalf of the landlord. There would obviously be correspondence between our group and DSI and couple claims were made that there were dozens of questions, that's not true. I think all that has been in writing. I think there was one call that we had to discuss some of the questions around how to fill out the MNOI work sheet because in hearing earlier, it

does seem that form was created more 4-to-6-unit buildings. It didn't really consider the large scale of the 200 plus unit property. I don't know if other companies or other properties along in this area have submitted a rent increase. When we came into this property, we were looking at a couple of comparative properties what we could obtain in terms of the level of rent levels, bringing amenities up to a standard that's worth what the people that are paying the rent. The fact that the swimming pool wasn't even operable, the fitness center was not in good shape. What we didn't see were the before pictures. We have a lot of that, and if that would be helpful in your review we could share them with you. We really want to make sure that we brought everything up to the standard of what Marquette is, and what we want for our residents. I actually want to read our vision statement because I think it is important. Marquette Management is the operating arm of the property that manages on behalf of the ownership group. Marquette's vision statement is the best place to live, work, and invest. First word live, the first thing that's the most important to us is our residents and that is why we wanted to invest the time, energy, and the capital into this asset to bring it up to a standard that we would be proud to have in our portfolio.

I think for the most part the basis of our application was, and for me personally, this hearing is related to the rent control allowance. There are items in the exhibits that I know the claimant for the lawsuit was added that we're not going to talk about. To be honest, those 2 are separately related and they should be considered mutually exclusive. What we should be talking about today is the questions that went into, or the data that went into the submission. At that point, it's mostly math and calculations. There's not really any ambiguity around that. I'm happy to discuss those items. That was why when going through this process we had a couple of questions for Lynne and Demetrius because we want to make sure, given how important this was to us and because of the money we have already invested, and the money that we still plan to invest. Despite all of the hindrances with the aforementioned taxes, insurance, utility rates, inflation, and we're writing a check every single month to pay our mortgage because of the rent control ordinance that is in place. We wanted to make sure this submission went through as smoothly as possible. We did have a handful of e-mails, not dozens or 50. We had one conversation on the phone to make sure that the application was as perfect as it could be from our end, and that it wouldn't require review because of the time that it's taken to get to this point. One of my earlier e-mails was referenced in here and the comments earlier made by the appellant group was that we had asked where they initially were shaking out. We wanted to understand based on the time frame given where we could land so we could start planning for any type of increases that could go into effect. Yes, some of the increases are large, but that's not our plan to increase to those amounts. If anything, I think it's more of a "do not exceed." When we're looking at continuing renovations in the units, a normal return of investment for our fund, and our partners and in similar of what they call a value-add fund, which purchase this asset is a 20% return on cost range. The way that this works is that if we get another unit that comes back we want to renovate it. We are cap at that 26% rent increase doesn't matter if we spent \$20,000 in that unit, we could only get the 26%. Next year we would submit on that unit saying, hey, we increase this. We're basically always catching up right. There's a year that were missing, so this allows us to have a little bit more of that ability. But really, when you look at how the property was managed and maintained prior it was not to an institutional level of expectation that we hold. The fact that we've even increased the number of people and staff to service these areas to bring these amenities back online to maintain the hallways, the common areas to give the residents a fitness center, a pool they can use, or they can use a courtyard that's not full of trash and debris. Hallways that have been repainted, not scraped but repainted that don't have writing and dirt and grime all over, hire pest services to address the mouse issue, and other rodents and insects that were mentioned. A lot of that costs money to do so, and that was what was included in our expenses further. In a non-rent control environment, we have the ability to increase rent 5, 8, 10% without having to go through the different various stages to get that. When we inherited the property there are 150 month-to-month leases in place, we significantly got that down. But then with this submission we have had to let some units go month to month so that we don't miss the 12-month window to recapture some rent increases if we can.

The unit in particular here, there are a couple things I want to clarify from earlier because I think it is important. First and foremost, I do not show Ms. Muhamad as being on the lease as either the leaseholder or an occupant, so I am a little curious as why she's even here. The lease was in effect as of May 1, 2022, through June 30, 2023. All of this is in a copy of the lease is in the large claimant lawsuit that's in the exhibits. It is a National Apartment Association lease, so it adheres to both national and local code and stipulations. There is a lead addendum in the lease that the residents sign stating that there was to their knowledge, no issues of lead. I did talk to my counsel, they're not here today because to be honest, we thought this would be more about the rent control submission and not so much about the lawsuit. There was lead and asbestos testing done previously. I don't know if that's not been shared with them that there has been. All of those items are named in a lawsuit, so I'm not going to talk about them other than what they advise me, that there was testing previously done. I think for us it's more so focusing on the actual submission and when it comes down to if there's questions regarding the income and expenses are things that are identified in there, which I am happy to answer those questions. But nothing that is in there was done outside of the rules of how it was supposed to be completed. This is a 216-unit property, and this is the only appeal and because of the lawsuit and what I expected today to go as such probably a subsequent if not more hearings. We did discuss internally and actually called Sonia the other day to ask if there was a possibility to have an agreement made. We propose to forgo the rent increase for 12 months if they would drop the appeal, and it's actually in the memo supporting the appeal in page 15. I am going to read this real quick if, "Marquette's rent increase application is not fully denied, we then asked that any final determination be stayed until adjudication of the federal lawsuit is complete." Right there they are asking that if you don't deny it, you forgo their increase for the other increase we offered to forgo it, they said no. At this point, I don't really know what else we can do, other than continue to go through all of the exhibits that keep coming in to make their case. I think that's majority of my kind of statement happy to answer any questions.

Moermond: Who is in the lease?

Woods: Rukia Bile. Let me pull up the exhibits, and I apologize if I mispronounced that. Rukia Bile.

Moermond: Is there anybody listed that is living with Rukia?

Woods: No, there's multiple pages of just her named as the leaseholder and parties. There is an option for them to include occupants but no one is in there. The only thing on here that I know it's that it's a 3-bedroom unit but the only thing on here that would indicate there's more people is that there are 4 cars registered on the lease.

Moermond: Is it in these volumes of materials?

Woods: It's in the lawsuit, the main 355 pager. I did not print that one out. It is typical for us that anybody that is on a pre-existing lease with another management company, we put them on our lease just to have everything consistent. We know that we're operating under the same fair housing standards that need to be maintained. My guess is that previous lease term was entered right before we purchased the asset. It was until May 1st of last year when we were able to give a lease under our form, which again is the National Apartment Association standard form that is used in all states, it adheres to Blue Moon Leasing.

Moermond: I understand you didn't know in planning for how you were going to prepare for today's hearing for the course of the conversation. I do let people say their piece, it is my practice, some of it is going to be important to me as I think things through. I would say that you may want to take that same opportunity to review materials and think if there's additional submissions that you have. I've had things now for a little more than 24 hours. I myself want to spend some time thinking about this. I assume that is true for other folks who haven't had access and I understand the data practices piece of it and that this is not easy. I know you want to move forward with the rent increases and that there's pressure in

that regard as well. What kind of time do you think you would like to have to review the information with your people and providing the additional commentary?

Woods: They've seen everything up until yesterday's submission. I forwarded that to them, so they could review. I'm not going to go through one by one of every single document and disagree or agree with different areas. I think a lot of the basis of the claim is based on the lawsuit, so keeping those 2 separates. I don't think we really have more to submit on our behalf for the application or for the consideration. I think the application was very detailed, but it was done so on purpose, so there would be less areas to question or have follow-up questions with. I think when we prepared that document that was the hope so that it could be reviewed hopefully at one time and not need re-reviews. I think everything at this point that we've submitted is applicable to some of the comments that were made earlier. Again, I can confer with our team, but I got to imagine our response is going to be that we're not going talk about it due to the lawsuit.

Moermond: staff, is a week good?

Sass: Probably. I'm out of the office when this appeal is over until Tuesday, so probably by next Friday I can write up a response.

Ferkinhoff: And likewise on Tuesday when he's back I will be back. It would be helpful if we could both be in the office together to write up a response.

Woods: And just to clarify, after that's prepared will there be another in-person hearing? Because I think that was part of the thought process in proposing the agreement of a 0% rent increase for 12 months for this unit. Because if I keep having to come here where we have to invite more people it's going to cost more to do that process, then it would for anything else we could have achieved with a 26.4%, increase in a 12-month term. It's like the cost outweighing the benefit of the process. I was trying to understand and set expectations because there are other properties that I oversee and manage that I need to be attentive to as well. I kind of want to understand the expectation was set forth for us.

Moermond: I don't need to sit here anymore than necessary, and work can be done looking at written materials as opposed to meeting in person, I think that will make everybody's life simpler, and people have said things. My preference is to not have another hearing unless it's asked for. You're the one I am kind of asking that question of because you're the one receiving the newest information and you're giving me the impression that is not something you want to have happen.

Woods: The whole process again, I think this is more the time for the appellant to make their claim. We've already done our work, which led to why we're here today. I don't think there's anything new that's going to come to light that we would have included. We purposely waited long enough into 2023 to start this process, and to make sure that all of our I's are dotted and T's are crossed in terms of the information that was there. There's not really anything else new I can think that would be added from our end.

Moermond: considering staff vacation and timing and leaving me with the need to have a little bit of time to consider their information. I would really like to have things out to you all in a week in advance of a public hearing on this matter so that you have a chance to reflect on what my recommendation is. There is no City Council public hearing on the 30th. The 6th is going to be a long Council Public Hearing. September 13th is probably going to be long but a better bet. My goal will be to get a letter out to you all that week of the 4th and have this calendar for public hearing on the 13th. The public record is open until the council says the public hearing is closed. For my part, I will tell you the sooner I get it the better for me because I can analyze it versus something showing up at the table. That's hard for both me and the Council. If you all could get things to me sooner rather than later, that is very helpful.

Woods: Just to add to that, because I don't think we have anything to add. Is there, I guess a deadline or a timeline where new information should stop being presented? Because if this continues to drag out more of these documents keep showing up, it's never going to end.

Moermond: As soon as the Council closes the public hearing, no new documents are being accepted, no new testimony is being accepted. If there is a lot of new information at the last minute I would be surprised if they took a vote then. They usually like to look at things a little bit before they land a decision. Again, I am going to aim to have something out the week of the 4th. We will put this out the week of the 13th if things are shaping up that way and trying to be in communication all along the way, so you know what's happening from that perspective, and happy to answer questions.

Poradek: Real quickly, I just wanted to address the lease issue and maybe will provide something in writing on that, just so you can see the back and forth. This was something that back in August of last year, on behalf of Ms. Mohamed, we wrote and said there's problems at that complex and we believe there have been some retaliatory activity with respect to her and her household. Then they came back with the she is not listed on the lease. This is actually a part of the Federal litigation; we believe that they could have tampered with the lease based on the meta data we've seen. We don't need to worry about that because we wrote back to them, and we will provide this in writing. They wrote an email saying my client has reviewed the matter. It appears that Sumeya Mohamed and other residents were in a prior lease with a different property owner manager. The previous manager software only listed Rikya as the tenant, and they're saying that's the reason she didn't show up on the new lease and they apologize for the confusion. She has interacted as a tenant there that they recognized for year. That is a non-issue, and I'm surprised they raise that. In addition, even if you have any doubts, residential tenants, I would assume have the same rights under Minnesota Law would have the same rights as anybody who was on a lease. I don't know if you're familiar with those concepts. But anyway, I think it's a non-issue and I just didn't want that to be a problem. You can look into that, and we will write a letter. I feel confident that we're in a good position on that. Mr. Cann had wanted me just to make it clear. We're intending to respond to that report that we got today. That will be an additional thing we do in writing for the staff report.

Cann: Mr. Sass is going to submit a report by the 23rd. I just want to make sure we have at least a few days to respond to that before you make your decision. We'll have access to his report.

Moermond: Any information that I have, you know that we have a practice of pushing out, and we will continue to do that.

Poradek: Our position is that they are not complying with chapter 161, certainly, in the way they've done is a stop sign. It isn't a balancing issue, that's based on 193A. 6C, which says the city will not grant an exception to the limitation on rent increases for any unit. It's an on and off switch in our view. Of course, we rely on other arguments we made in there, but we want to highlight kind of the ones we think are most important.

Moermond: We're adjourned. Thank you.