



Request for City Council Committee Action from the Department of Regulatory Services

Date: March 18, 2014

To: Council Member Lisa Goodman, Chair – Community
Development & Regulatory Services Committee

Subject: Rental Dwelling License Revocation – 3111 Upton Avenue
North. Owner Steven Meldahl

Recommendation: Revocation of a Rental Dwelling License at 3111 Upton Avenue
North. Owner Steven Meldahl

Previous Directives: None

Department Information

Prepared by: Kathy Zierke, Administrative Analyst II – (612) 673-5846

Approved by:

Nuria Rivera-Vandermyde, Director of Regulatory Services

Presenters in Committee: Lisa Smestad, Christina Dowling

Financial Impact

- No financial impact

Community Impact

- City Goals

Supporting Information

On September 24th, 2013, notice was sent to the owner, Steven Meldahl indicating that a recommendation to revoke the rental license for the property listed above would be sent to the City Council. The owner Steven Meldahl did not appeal this recommendation. Assistant City Attorney, Lee Wolf has found this property has failed to meet the licensing standards under Minneapolis Code of Ordinance 244.1910 subd. 11 & 19.

(See enclosed Evidence Packet and Findings of Fact)

**CITY OF MINNEAPOLIS
FOR THE DEPARTMENT OF
REGULATORY SERVICES**

**In the matter of the Rental
Dwelling License held by
Steven Meldahl for the
premises at 3111 Upton Avenue N.
Minneapolis, Minnesota**

**FINDINGS OF FACT,
CONCLUSIONS, AND
RECOMMENDATION**

FINDINGS OF FACT

Steven J. Meldahl is listed as the owner of the property located at 3111 Upton Avenue N. in the City of Minneapolis. Steven J. Meldahl's listed address is 7409 Hyde Park Drive, Edina, Minnesota 55439.

On March 11, 2008, Steven J. Meldahl applied and was awarded a rental license for the property at 3111 Upton Avenue N. On June 15, 2009, Steven J. Meldahl submitted an updated rental license application for the property listing SJM Properties as the owner of the property and Steven J. Meldahl listed as the Natural Person/Chief Operating Officer. The application listed the owner's address as 1223 26th Avenue N., Minneapolis, MN. The rental license application also listed Steven J. Meldahl as the person

responsible for the maintenance and management of the rental property with the same contact address.

Hennepin County property records show Steven J. Meldahl as the owner and taxpayer for the property located at 3111 Upton Avenue N. The Hennepin County property records show the owner and taxpayer's address as 7409 Hyde Park Drive, Edina, MN.

On February 28, 2013, a Lead Risk Assessment inspection was completed by Fardowza Omar, an inspector with the Healthy Homes and Lead Hazard Control Division of the Department of Health. The Lead Risk Assessment was conducted based upon information the Division had received that a child that resided at the property had elevated levels of lead in their blood.

On March 13, 2013, the Risk Assessment report and orders were issued to Steven J. Meldahl. The written orders required the owner to complete a Practices Renovation, Repair and Painting course certified by the EPA and provide this certification before beginning any lead hazard reduction work. The written orders also required the owner to provide lead free ground cover at the property; to replace or ensure lead free windows at the property; to replace or ensure lead free window sills at the property; to re-paint/provide lead free interior surfaces where needed; to paint/provide lead free areas on the garage where needed due to loose and flaking paint. The written orders also required the owner to not allow occupancy of a unit if it were to become vacant prior to the completion of all the orders and a

compliance inspection. Finally, the issued orders required the owner to submit the property to a final clearance inspection once all the lead orders had been completed. The owner was given until May 12, 2013, to come into compliance.

On March 22, 2013, Steven J. Meldahl, filed an appeal of the lead orders and an internal appeal was heard by Lisa Smestad, Jennifer Tschida and Patrick Hanlon, all supervisors or employees of the Department of Health, on April 2, 2013. On April 9, 2013, the owner's appeal was denied and notice sent to his listed address of 1223 26th Avenue N., Minneapolis, MN.

On May 12, 2013, the lead orders issued by Inspector Omar came due and a re-inspection was set for May 16, 2013. On May 16, 2013, Inspector Omar arrived at the property to complete the re-inspection and was met by a new tenant who was occupying the property. Inspector Omar was unable to complete an interior inspection of the property as the new tenant informed Inspector Omar that the landlord instructed them not to let any city inspectors into the property. Inspector Omar was, however, able to make visual assessment of the exterior of the property and observed that the windows at the property had not been replaced and that the orders regarding the porch had not been addressed.

Inspector Omar asked the tenant if she was aware that there were lead orders on the property and the tenant responded that she was unaware of any lead orders. The tenant indicated that she had young children and

that the landlord had told her that the property was lead free. The tenant stated that she would call the landlord to see if she could let Inspector Omar into the house and Inspector Omar waited outside for 15 minutes but the tenant never came back outside to speak with Inspector Omar.

On May 16, 2014, Inspector Omar issued an administrative citation in the amount of \$200.00. The administrative citation was issued to Steven J. Meldahl and sent to his listed address of 1223 26th Avenue N., Minneapolis, MN. The administrative citation listed the violation type as lead hazardous interior surfaces and for failing to complete a clearance inspection which would allow Inspector Omar the opportunity to enter the property to determine if the owner had complied with all of the lead abatement orders issued on March 13, 2013. The administrative citation also provided information on how to appeal the fine.

On June 9, 2013 Steven J. Meldahl filed an appeal of the \$200.00 administrative citation and the matter was set for an appeal hearing on August 14, 2013, in front of Administrative Hearing Officer James Gurovitsch.

On August 14, 2013, the appeal of the \$200.00 administrative citation was heard by James Gurovitsch with the owner, Steven J. Meldahl present at the hearing. After hearing testimony and arguments from the owner and from Inspector Omar, Hearing Officer Gurovitsch found, by a preponderance of the evidence, that the violation had occurred and upheld the \$200.00 administrative citation.

On August 22, 2013, and September 6, 2013, administrative citations were issued, in the amounts of \$400.00 and \$800.00 respectively, to Steven J. Meldahl, at his listed address of 1223 26th Avenue N., Minneapolis, MN. The administrative citation indicated that the citations were issued for failing to complete a lead hazard final clearance inspection. The administrative citations also provided the owner with information on how to appeal the administrative citations. On September 16 and 30, 2013, Steven J. Meldahl filed notices appealing the \$400.00 and \$800.00 administrative citations.

On December 3, 2013, the appeal of the \$400.00 and \$800.00 administrative citations were heard by Administrative Hearing Officer Michael Sindt. After hearing testimony and arguments from the owner and from Inspector Omar, Hearing Officer Sindt found, by a preponderance of the evidence, that the violations occurred and upheld the \$400.00 and \$800.00 administrative citations. On September 13, 2013, an administrative citation was issued in the amount of \$1,600.00, the administrative citation was appealed and a hearing is set for April 8, 2014.

Administrative citations were issued for \$2,000.00 on September 20, 2013, and for \$2,000.00 on a weekly basis after September 20, 2013. As of February 19, 2014, Steven J. Meldahl had neither paid the \$200.00, \$400.00 or \$800.00 administrative citations nor had he appealed the decisions of the administrative hearing officers.

As of February 19, 2014, the owner, Steven J. Meldahl had failed to comply with the orders written by Inspector Omar, in that a lead hazard final clearance had neither been completed nor scheduled. Additionally, the new tenants placed in the property remain in the property despite the March 13, 2013, order to keep the unit vacant, if becoming vacant after the issued orders, until all issued orders were completed and a compliance inspection completed.

A review of the Hennepin County tax records on September 10, 2013, revealed that there are prior year delinquent taxes for the property located at 3111 Upton Avenue N. for the year

2012 in the amount of \$9,579.51. As of February 19, 2014, the property continues to have delinquent property taxes.

On September 10, 2013, a Notice of Director's Determination of Non-Compliance was issued to Steven J. Meldahl. The Notice indicated that the property at 3111 Upton Avenue N. failed to meet one or more of the licensing standards listed in Minneapolis City Ordinance (M.C.O.)§ 244.1910, licensing Standards. Specifically, the Notice indicated that the property was in violation of subdivisions (11)(a) and (19). The Notice indicated that the owner had 10 days to bring the property into compliance or the City may proceed to deny, revoke, or suspend the rental dwelling license.

Section 244.1910 (11) (a), states: There shall be no delinquent property taxes or assessments on the rental dwelling, nor shall any licensee be delinquent on any financial obligations owing to the city under any action instituted pursuant to Chapter 2, Administrative Enforcement and Hearing Process. Section 244.1910 (19), states: The provisions of this section are not exclusive. Adverse license action may be based upon good cause as authorized by Chapter 4, Section 16 of the Charter. This section shall not preclude the enforcement of any other provisions of this Code or state and federal laws and regulations.

On September 24, 2013, the violations at the property had not been corrected and a Notice of Revocation, Denial, Non-Renewal, or Suspension of Rental License or Provisional License was sent via certified mail to Steven J. Meldahl at 1223 26th Avenue N., Minneapolis, MN and 7409 Hyde Park Drive, Edina, MN. The notice advised that the Inspections Division would recommend to the city council that the rental dwelling license for 3111 Upton Avenue N. be revoked pursuant to §§ 244.1910 and 244.1940. The recommendation for revocation pursuant to §244.1910 (11)(a) was based on the unpaid property taxes and the \$400.00 and \$800.00 unpaid administrative citations. The recommendation for revocation pursuant to §244.1910 (19) was based upon the owner failing to complete a lead hazard clearance inspection and re-

occupying the property with new tenants while the lead hazard orders were pending despite a specific order not to do so.

The notice was served via certified mail and receipts were returned confirming the delivery and receipt of the notice by Steven J. Meldahl. The property at 3111 Upton Avenue N. was also posted with a notice of license revocation, non-renewal or suspension on October 15, 2013. The notice gave the owner fifteen (15) days to appeal the notice of revocation. The owner failed to file a notice of appeal within the fifteen (15) days.

CONCLUSIONS

M.C.O. § 244.1910 (11) (a), states: There shall be no delinquent property taxes or assessments on the rental dwelling, nor shall any licensee be delinquent on any financial obligations owing to the city under any action instituted pursuant to Chapter 2, Administrative Enforcement and Hearing Process. The property at 3111 Upton Avenue N. has unpaid property taxes in the amount \$9,579.51 and has unpaid administrative citations in the amount of \$400.00 and \$800.00 that have become pending assessments against the property.

M.C.O. § 244.1910 (19), states: The provisions of this section are not exclusive. Adverse license action may be based upon good cause as authorized by Chapter 4, Section 16 of the Charter. This section shall not preclude the enforcement of any other provisions of this Code or state and federal laws and regulations. In this case the owner of 3111 Upton Avenue N., Steven J. Meldahl, failed to comply with lead hazard orders issued by Inspector Omar in that he has continually failed to complete or schedule a clearance inspection to verify that all lead hazards at the property have been abated. Additionally, and more seriously, the owner failed to comply with Inspector Omar's order that if the property became vacant, after the issuance of the lead hazard orders, the property was to remain vacant until the orders had been complied with and a clearance inspection completed. In this case the property became vacant after the March 13, 2013, orders had been issued and new tenants, with children, were placed into the property prior

to the re-inspection on May 16, 2013, despite the fact that there was no verification that any of the orders had been complied with and that there had been no clearance inspection.

The rental dwelling license held by Steven J. Meldahl as owner of the property, for 3111 Upton Avenue N. is subject to revocation or suspension under M.C.O. § 244.1910. Revocation of the referenced rental dwelling license is the appropriate adverse license sanction.

RECOMMENDATION

That the rental dwelling license held by Steven J. Meldahl as owner of the property, for 3111 Upton Avenue N., in Minneapolis, Minnesota be revoked.

