RENT BOARD
January 25, 2023
5:00 PM

ZOOM INFORMATION:

Please click the link below to join the webinar:
https://portlandmaine-gov.zoom.us/j/85197146617?pwd=UzNBeTkvcWNPUWFKeHNpWk1ScVpuQT09
Passcode: 798946
Or One tap mobile :
US: +19292056099,,85197146617#,,,,*798946# or +13017158592,,85197146617#,,,,*798946#
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 929 205 6099 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 or +1 646 931 3860 or +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 669 444 9171 or +1 669 900 6833 or +1 689 278 1000 or +1 719 359 4580
Webinar ID: 851 9714 6617
Passcode: 798946
International numbers available: https://portlandmaine-gov.zoom.us/u/kcbNofunj0

II. ROLL CALL:

III. APPROVAL OF MINUTES

a. December 28, 2022 Minutes

IV. COMMUNICATIONS:

a. Please note: Written public comment must be received via email (rentboard@portlandmaine.gov) by 12pm the day before the scheduled meeting. Please make sure that the subject line reads "Written Public Comment"

b. Written Public Comments

c. In-Person/Hybrid Meeting Update - Memo

V. UNFINISHED BUSINESS:

a. Rent Increase Application - Public Comment
Landlord: Francine D'Alfonso
Property Address: 39 Holly Street, Unit 2
CBL: 142-E-014-001
Type of Increase: Capital Improvement Costs

b. Rent Increase Application - Public Comment
Landlord: Home State Properties LLC
Property Address: 25 Grant St, all 7 units
CBL: 036-D-013-001
Type of Increase: Capital Improvement Costs

c. Rent Increase Application - Public Comment
Landlord: Home State Properties LLC
Property Address: 27 Grant St, all 6 units
CBL: 036-D-012-001
Type of Increase: Capital Improvement Costs

VI. NEW BUSINESS

a. Executive Session - The Board may go into executive session pursuant to 1 M.R.S. 405(6)(E) to consult with its attorney regarding the Board's legal rights and duties

b. Rent Increase Application - Public Comment
Landlord: Richard MacLaughlin
Property Address: 57 Walton Street, Unit 1
CBL: 141-A-007-001
Type of Increase: Renovation/Reconfiguration and Increased Housing Service Costs

c. Rent Increase Application - Public Comment
Landlord: Lawson Properties LLC
Landlord's Representative: Andrew Jordan w/ Bellport Management
Property Address: 278 Park Ave, Unit 5
CBL: 065-E-001-001
Type of Increase: Renovation/Reconfiguration and Fair Rate of Return

d. Discussion of New Forms and Procedures

VII. ADJOURN

Remote Rent Board Meeting Minutes - Held Via Zoom

Wednesday, December 28, 2022 Start time: 5:02pm

II. Roll Call - 00:00:26

Elliott Simpson, Tenant, District 3 - Chair
Barbara Vestal, Landlord, At-Large - Vice Chair
Amir Familmohammadi, Tenant, District 1
Hilary Glaus, Tenant, District 2 (absent)
Ian McCracken, Landlord, District 4 (absent)
Philip Mathieu, Tenant, District 5
Elias Kann, Tenant, At-Large (absent)

Staff present:

Katlyn Sawyer, Licensing & Registration Coordinator
Zachary Lenhert Licensing & Housing Safety Manager
Jessica Hanscombe, Permitting & Inspections Director
Amy McNally, Associate Corporation Counsel

III. Minutes - 00:00:51

The Vice Chair moves to accept the minutes as written, seconded by Philip Mathieu. Vote: 4-0 (Ian, Hilary, and Elias are absent)

IV. Communications - 00:01:43

A. **Please note: Written public comment must be received via email (rentboard@portlandmaine.gov) by 12pm the day before the scheduled meeting. Please make sure that the subject line reads "Written Public Comment".**

Two comments were received in regards to application(s) listed on the agenda, these will be discussed during those items.

B. **MNOI Methodology Reference - 00:02:18**

The Vice Chair just wanted to state that there is no formal action to be taken, just acknowledging this information as it was from a discussion in a prior meeting.

V. Unfinished Business - 00:03:02

There are no items to be discussed

VI. New Business - 00:03:05

A. **Executive Session - The Board may go into executive session pursuant to 1 M.R.S. 405(6)(E) to consult with its attorney regarding the Board's legal rights and duties**

Per the Chair, this is just a placeholder on the agenda as the Board does not intend to go into Executive Session at this time.

B. **Rent Increase Application - Public Comment - 00:03:19**
Owner: Nevens LLC
Property: 26 Poland St
CBL: 146-B-005-001
Increase: Capital Improvement Costs

Attempt #1: technical difficulties, will return to this item after the next application.

00:43:53 (After Discussion of Agenda Item VI, Letter C) - Attempt #2: still having technical difficulties, will return once more after the next agenda item.

01:40:39 (After Discussion of Agenda Items VI, Letter D & Letter E) - Attempt #3:

No tenants spoke as objectors.

No public comment was taken.

01:48:28 - The Vice Chair makes a motion to approve the application for Board approved rent increase based on Capital Improvements of $71.67 per month, subject to the standard requirements about compliance with the ordinance and the 10% cap. Seconded by Amir. Vote: 4-0 (Ian, Hilary, and Elias are absent).

C. **Rent Increase Application - Public Comment - 00:05:31**
Owner: Francine D'Alfonso
Property: 39 Holly St
CBL: 142-E-014-001
Increase: All

No tenants spoke as objectors.

No public comment was received.

During deliberations, the general request from members of the Board was that the applicant provides additional documentation such as:

- -invoices for total amount spent, focusing on 2021 and 2022
- -breakdown of expenses for the specific unit that is seeking a rent increase versus the entire building
- -follow-up with the Housing Safety Office (HSO) regarding rent amounts
- -fill out and submit the Capital Improvement worksheet

00:33:51 - The Board has asked the Landlord if they are okay with the Board tabling this application to the next meeting where they can provide additional documentation.
The Landlord has agreed to table it to the next meeting.

00:39:09 - The Vice Chair makes a motion to table this application to the next meeting and that the applicant returns with the Capital Improvement Costs worksheet completed indicating the units that the improvements related to and the amounts. She makes sure that the Board has legible receipts for the major items of work that she is asking for a rent increase. The Board would then consider the application under the Board's current Capital Improvements rules.
Seconded by Philip. Vote: 4-0 (Ian, Hilary, and Elias are absent).

00:43:53 - The Board returns to Agenda Item VI, Letter B for attempt #2.

D. Rent Increase Application - Public Comment - 00:45:50
Owner: Home State Properties LLC
Property: 25 Grant St
CBL: 036-D-013-001
Increase: Capital Improvement Costs

*Please note: Agenda items VI, Letter D (25 Grant St) and Letter E (27 Grant St) were discussed jointly as the properties are located side by side and owned by the same company.

00:58:45 - Tenants who spoke on behalf of the application(s) submitted are:

-Madeleine Adelson who lives at 25 Grant St. Madeleine submitted one of the written public comments included in the communications section of the agenda

-James DuBourdieu who lives at 27 Grant St. James submitted the other written public comments included in the communications section of the agenda

-ML Rice who lives at 27 Grant St. This tenant is in agreement with the previous two commenters

-Christopher Rushlau who did not state which address he lived at, but spoke in positivity about the Landlord

01:08:48 - The Chair has requested that the Landlord briefly addresses the tenants who spoke regarding the application(s).

No public comments were taken on these items.

01:13:18 - The Board moves into questions for the applicant regarding the applications submitted

01:18:02 - The Board moves into deliberations

The Chair addresses some of the comments made by tenants regarding complaints about a hole in the ceiling, heat issues, etc. The Chair asked HSO about the history of the two properties regarding these issues.

Zachary Lenhert, Licensing & Housing Safety Manager, confirms that there are no complaints for the last 5 years in either building.

01:33:20 - The Vice Chair asks through the Chair, to ask the applicant whether the applicant is agreeable to tabling this to the next meeting as unfinished business. Amir added a request that the applicant can break out what is a general repair versus a capital improvement expense.

The Landlord has confirmed that tabling the applications to the next meeting is okay.

01:38:55 - The Vice Chair makes a motion to table the application for 25 Grant St to the next meeting as unfinished business, seconded by Philip. Vote: 4-0 (Ian, Hilary, and Elias are absent)

E. Rent Increase Application - Public Comment - 00:45:50 (Discussed jointly with the previous agenda item)
Owner: Home State Properties LLC
Property: 27 Grant St
CBL: 036-D-012-001
Increase: Capital Improvement Costs

*Please note: Agenda items VI, Letter D (25 Grant St) and Letter E (27 Grant St) were discussed jointly as the properties are located side by side and owned by the same company.

See notes in Agenda Item IV, Letter D.

01:39:38 - Motion for this specific application:

The Vice Chair makes the same motion (that was made for 25 Grant St) for 27 Grant Street, seconded by Philip. Vote: 4-0 (Ian, Hilary, and Elias are absent).

01:40:39 - The Board returns to Agenda Item VI, Letter B for attempt #3.

F. Rent Increase Application - Public Comment - 01:49:33
Owner: Jonas Allen (correction made)
Property: 4 Bay View Dr
CBL: 129-I-003-001
Increase: Capital Improvement Costs, Increased Housing Service Costs, Fair Rate of Return

No tenants spoke as objectors.

No public comment was taken.

01:55:47 - The Board moves to questions to the applicant regarding the application submitted

01:58:42 - The Board moves into deliberations

02:06:05 - Amir makes a motion that the Board rejects the application

02:06:14 - The Chair asks Amir to accept an amendment to his motion in that the Board rejects the application and requests that HSO review the rent that is currently being charged at this property. That HSO works with the applicant on what their current rent should be and what the allowable rent increases are.

Amir accepted the amendment.

02:10:59 - The Chair restates the motion that the Board rejects the application as presented and requests that HSO take note of the rent that is being charged and consider whether that is an invalid rental amount. Seconded by the Vice Chair. Vote: 4-0 (Ian, Hilary, and Elias are absent).

G. Rent Increase Application - Public Comment - 02:12:23
Owner: 44 Pleasant St LLC
Property: 44 Pleasant St
CBL: 040-B-004-001
Increase: Renovation & Capital Improvement Costs

No tenants spoke as objectors as the unit is vacant.

No public comment was taken on this item.

02:27:11 - The Vice Chair makes a motion to approve the application on the basis of renovation of the unit and to establish a new base rent, with the current rent of $1,100.00 plus an increment of $297.00 a month, making a new base rent of $1,397.00. The investments to this point could not justify a second increase based on capital improvements. Seconded by Amir. Vote: 4-0 (Ian, Hilary, and Elias are absent).

02:29:30 - Amir makes an announcement that he will be resigning after this meeting due to him moving out of Portland, therefore, he can no longer serve as a Board member for District 1.

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02:30:08 - The Board returns to decision forms for the following properties:

26 Poland Street

Some edits were made to the form.

02:32:41 - The Vice Chair moves to accept the form as it reads, seconded by Philip. Vote: 4-0 (Ian, Hilary, and Elias are absent)

4 Bay View Drive

Some edits were made to the form.

02:42:01 - The Vice Chair moves to accept the form as written, seconded by Philip. Vote: 4-0 (Ian, Hilary, and Elias are absent)

44 Pleasant Street

Some edits were made to the form

02:49:10 - Philip makes a motion to approve as written, seconded by the Vice Chair. Vote: 4-0 (Ian, Hilary, and Elias are absent)

VII. Adjourn - 02:50:06

The Vice Chair makes a motion to adjourn, seconded by Amir. Vote: 4-0 (Ian, Hilary, and Elias are absent).

Meeting end time: 7:53pm

portland City of

25 and 27 Grant Street application, Jan 25th meeting

Steven Bauer <bauerdad@gmail.com> Wed, Jan 18, 2023 at 7:21 PM
To: rentboard@portlandmaine.gov

Before Gebhardt Property Management took over maintenance responsibilities at 25 and 27 Grant street in 2021 I handled the renovations, repairs and maintenance for Roger Buck at these properties. I've renovated almost all of the kitchens, including new cabinets, countertops, fixtures, cabinets and flooring. I've replaced many windows and doors. And bathroom vanities, subfloors, floors and ceilings, adding proper ventilation when it was missing. Over 20 years of working on Roger's buildings I've found him to be a responsive landlord who tries to do right by his tenants and buildings.

Working on these older buildings is especially challenging these days. Electricians, plumbers, heating specialists, masons and carpenters are in high demand. And tradesman who understand these older buildings are in even higher demand. Roger has always put in great effort to have a skilled team of contractors to complement his hard work to keep these old buildings going. His attention to high quality materials and skilled tradesman has helped to prolong the life of these buildings.

Steven Bauer
Owner, Steven Bauer Carpentry.

GEBHARDT
PROPERTY MANAGEMENT

January, 20 2023

Dear Chair Simpson and Honorable Members of the Portland Rent Board:

I am the manager of 25 Grant Street and 29 Grant Street. I asked Roger Buck if I might write a letter of support on his behalf vis-a-vis his hearing before your commission.

As background, Mr. Buck engaged Gebhardt Property Management in 2021 Because the buildings had reached the stage where they were becoming a bit too much for one person to handle and so that Mr. Buck might take better advantage of his semi-retirement. After an initial feeling-out period I am happy to say that our relationship with Mr. Buck is excellent as we find him reasonable and unhesitant to invest in recommended improvements and maintenance. He has shown concern for his tenants and tends to be more lenient on some matters than we would recommend. My only qualm is that I wish he had retained us five years ago because it has been a challenge to keep up with the maintenance of these old buildings, particularly in the first year.

My approach to rental management is, naturally, to be responsive to our client (in this case Mr. Buck) but also advocate on behalf of tenants when we feel that their needs are not being met. This at times, puts us in a mediator role in order to arrive at the fairest solution for all parties. As such, we have (over the years) needed to terminate contracts with two landlords who were not willing to invest in their property. This is far from the case with Mr. Buck who has never denied nor even questioned any recommendation for an expenditure.

I would also like to point out that Mr. Buck received and granted a request for a rent credit from a tenant who had trouble making the rent for that month, due to problems with a roommate. While such an act is not unheard of, Mr. Buck was under no obligation to do so and speaks to the fair-minded principle that he and I share. [We have documentation of this but would be reluctant to share an un-redacted account because of privacy concerns.]

With the above in mind, I would like to address the points that were brought up in the letters from the tenants dated December 24, 2022, and December 21, 2022.

Heating issue
A central steam system with radiators is a complex system for building heat that involves sensors in multiple units connected to the thermostat. Before giving you a (brief) explanation of the issue I would like to clarify the statements in the letter dated 12/24/22 that it took "several

weeks before the issue was investigated, and it was found that the boiler was broken." These assertions are inaccurate. GPM responded to every request by the next business day (if submitted as a regular work order, not an emergency call) and we had the plumber there on multiple occasions until the issue was resolved; furthermore, the issues were with the thermostat the thermostat control system, not the boiler. Replacing the thermostat did not resolve the problem. We finally found a loose connection that had escaped previous detection because it sometimes worked. The heat problem is now resolved.

Window
From my discussion with our maintenance director the issue with the window is that it is a large casement window that is too heavy for its hanging hardware (not a result of the building settling). The weight of a casement makes the window sag when it is open, which makes it hard to close (this also contributed to the lock mechanism getting broken). This is a general problem of casement windows that we have seen at other properties, however, fire code requirements specify that bedroom windows of this size be casement, not double hung. We are still searching for a casement window that will not sag, or some other solution to be code compliant.

Masonry
Before GPM signed on Mr. Buck retained a mason for repointing a portion of the building whose work was substandard and incomplete. On our recommendation, Mr. Buck retained a new mason to address the masonry issues as well as a painting company to reseal the window frames to the masonry. Mortar deterioration is a natural and expected issue that needs capital investment, similar to a new roof, new siding, or new windows.

Bed bugs/leak
When bed bugs were reported in one unit we received multiple communications from a neighboring unit expressing concern over infestation. Although we had an exterminator there the next day we acted with an abundance of caution (due in large part to tenant concerns) and did not go into the unit until we were certain the bedbug issue was resolved. Although this meant that it took a matter of weeks to address the bedbug issue, it should be noted that it did not rain every day in that period. We did not receive any complaint about property damage which we now understand to be minimal.

Hole in the ceiling
The hole is actually a crack which should have been fixed during renovation but was not due to miscommunication. We do not know which member of GPM staff said "there is not much we can do about it" but agree that such a statement is regrettable. To explain the situation a bit further, the crack is the result of sagging horse hair plaster, common in a 120 year old building, generally the result of "broken keys" (the portion of the plaster that oozed through the structural lathe that allows the plaster to stay in place) and most likely not water damage as has been suggested in the letter dated 12/24/22. Unfortunately, plaster repair of this nature (repairing a 1'-2' section) is a fairly involved process involving multiple coats of mud, sanding, and painting a significant portion of the ceiling. We have since been working with the tenants to find the least disruptive way to carry out this repair.

Locking the front door
The issue of people sleeping in the building entryways because the front door (the first of a two-door air-lock) was left unlocked. This was the first major challenge that GPM faced after signing on. Although the decision to lock the front door was not popular with some tenants, I believe it was the right thing to do out of concerns of health, safety, and sanitary conditions of the carpeted entryway, although we are sympathetic to tenants' concerns about packages and have suggested some remedies. We acknowledge that the stack effect of the double doors does make them more difficult to open than if it were just one door; however, to ensure that the door closes and latches properly a certain amount of resistance is necessary. We regret that we have not been able to dial it in any better than we have.

All of this may seem granular in detail (particularly in concern the matter at hand, i.e., the brick repointing), however, part of the reason for responding is that members of our maintenance staff feel unfairly disparaged by some of the assertions.

Despite all of the above, we do recognize that a significant number of tenants are unhappy and that we need to do a better job addressing tenant concerns in a timely and thorough manner and have taken steps to improve the administration of these requests. I appreciate your consideration of these matters and thank you for your careful consideration.

Cordially,

Zack Barowitz

Senior Property Manager
Gebhardt Property Management

City of Portland | Executive Department
Danielle P. West, *Interim City Manager*

To: Mayor Snyder and Members of the Portland City Council
From: Jessica Grondin, Director of Communications & Digital Services
Date: January 4, 2023
Re: In-Person/Hybrid Meeting Update

This memo is intended to provide an update on returning to hybrid (in-person and remote participation) Committee and Board meetings now that upgraded technology equipment has been installed in the Anita LaChance (Room 209) Conference Room and the Kippy Richardson (Room 24) Conference Room. As you know, City Council meetings are already held hybrid style in Council Chambers.

City staff who help run the various Council Committee and Board meetings have been trained in using the new technology in both conference rooms and successful trials were completed.

As such, Council Committees and Boards should work with their staff liaisons to determine when meetings will be held hybrid or remote, in accordance with their respective remote participation policies.* The public meeting notice for each Committee and Board will indicate whether or not the meeting in question will be hybrid or remote.

While we are still awaiting the arrival of a few more pieces of technology to fully complete the upgrade in Council Chambers, we are excited that we can now offer a hybrid experience in our two City Hall conference rooms so that committees and boards have the opportunity to meet in-person while still offering remote participation. We have seen the public take great advantage of our remote participation methods during Council meetings with attendance typically higher on Zoom than in-person.

** The City Council's Remote Participation Policy can be found here. Other Boards & Commissions, such as the Planning Board, have adopted their own remote participation policies.*

City of Portland - Housing Safety Division
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

Date of Hearing:

January 25, 2023 (tabled to)

Owner Name and Address:

Francine D'Alfonso, 25 Hurricane Rd, Falmouth, ME 04105

Landlord's Representative and Address:

N/A

Property Address, Unit, and CBL:

39 Holly St, Unit 2 - CBL: 142-E-014-001

Tenants/Interested Parties:

Yes

Supplement Information Provided to HS (if different than application):

- Unit #:
- Base Rent (6/1/2020):
- Previous Rent (11/1/2021):
- Current Rent (11/1/2022):

Type of Request:

- ☐ Renovation of a unit or Reconfiguration of one or more units (6-233(c))
- ☒ Capital improvement costs, including financing costs (6-234(b)(5)(a))
- ☐ Uninsured repair costs (6-234(b)(5)(d))
- ☐ Increased housing service costs (6-234(b)(5)(c))
- ☐ Fair rate of return (6-234(b)(5)(d))

City of Portland - Housing Safety Division
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

Date of Hearing:

December 28, 2022 -- Tabled to January 25, 2023

Owner Name and Address:

Home State Properties LLC, 150 Glenwood Ave, Portland, ME 04103

Landlord's Representative and Address:

N/A

Property Address, Unit, and CBL:

25 Grant St, all 7 units - CBL: 036-D-013-001

Tenants/Interested Parties:

Yes, all 7 units

Supplement Information Provided to HS (if different than application):

- Unit #:
- Base Rent (6/1/2020):
- Previous Rent (11/1/2021):
- Current Rent (11/1/2022):

Type of Request:

☐ Renovation of a unit or Reconfiguration of one or more units (6-233(c))
☒ Capital improvement costs, including financing costs (6-234(b)(5)(a))
☐ Uninsured repair costs (6-234(b)(5)(d))
☐ Increased housing service costs (6-234(b)(5)(c))
☐ Fair rate of return (6-234(b)(5)(d))

City of Portland - Housing Safety Division
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

Date of Hearing:

December 28, 2022 — Tabled to January 25, 2023

Owner Name and Address:

Home State Properties LLC, 150 Glenwood Ave, Portland, ME 04103

Landlord's Representative and Address:

N/A

Property Address, Unit, and CBL:

27 Grant St, all 6 units - CBL: 036-D-012-001

Tenants/Interested Parties:

Yes, all 6 units

Supplement Information Provided to HS (if different than application):

- Unit #:
- Base Rent (6/1/2020):
- Previous Rent (11/1/2021):
- Current Rent (11/1/2022):

Type of Request:

- ☐ Renovation of a unit or Reconfiguration of one or more units (6-233(c))
- ☒ Capital improvement costs, including financing costs (6-234(b)(5)(a))
- ☐ Uninsured repair costs (6-234(b)(5)(d))
- ☐ Increased housing service costs (6-234(b)(5)(c))
- ☐ Fair rate of return (6-234(b)(5)(d))

City of Portland - Housing Safety Division
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

Date of Hearing:

January 25, 2023

Owner Name and Address:

Richard MacLaughlin, 40 Baker Mountain Drive, Windham, ME 04062

Landlord's Representative and Address:

N/A

Property Address, Unit, and CBL:

57 Walton Street, Unit 1 - CBL: 141-A-007-001

Tenants/Interested Parties:

Vacant

Supplement Information Provided to HS (if different than application):

- Unit #:
- Base Rent (6/1/2020):
- Previous Rent (11/1/2021):
- Current Rent (11/1/2022):

Type of Request:

- ☒ Renovation of a unit or Reconfiguration of one or more units (6-233(c))
- ☐ Capital improvement costs, including financing costs (6-234(b)(5)(a))
- ☐ Uninsured repair costs (6-234(b)(5)(d))
- ☒ Increased housing service costs (6-234(b)(5)(c))
- ☐ Fair rate of return (6-234(b)(5)(d))

City of Portland - Housing Safety Division
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

Date of Hearing:

January 25, 2023

Owner Name and Address:

Lawson Properties LLC, 4 Middle Jam Rd, Gorham, ME 04038

Landlord's Representative and Address:

Andrew Jordan w/ Bellport Mgmt, 536 Washington Ave, Portland, ME 04103

Property Address, Unit, and CBL:

278 Park Ave, Unit 5 - CBL: 065-E-001-001

Tenants/Interested Parties:

Vacant

Supplement Information Provided to HS (if different than application):

- Unit #:
- Base Rent (6/1/2020):
- Previous Rent (11/1/2021):
- Current Rent (11/1/2022):

Type of Request:

- ☒ Renovation of a unit or Reconfiguration of one or more units (6-233(c))
- ☐ Capital improvement costs, including financing costs (6-234(b)(5)(a))
- ☐ Uninsured repair costs (6-234(b)(5)(d))
- ☐ Increased housing service costs (6-234(b)(5)(c))
- ☒ Fair rate of return (6-234(b)(5)(d))

Landlord Worksheet
Rent Increase using Fair Return Standard: Maintenance of Net Operating Income (MNOI)

Amortized Costs of Capital Improvements included in Operating Expenses

Introductory Information

A landlord is entitled to a Fair Return on rental property. Pursuant to the Rent Stabilization Ordinance, the City has adopted fair return regulations (posted on the website).

1. **Presumption of Base Year Net Operating Income**

   It shall be presumed that the net operating income received by the landlord in the Base Year provided a Fair Return. This presumption may be rebutted, in which case an adjusted Base Year Net Operating Income shall be used.

2. **Fair Return**

   A landlord has the right to obtain a net operating income equal to the Base Year (2019) net operating income adjusted by 100% of the percentage increase in the Consumer Price Index (CPI), since the Base Year. It shall be presumed this standard provides a Fair Return.

3. **Base Year**

   (a) Calendar year 2019 is the Base Year.

   (b) In the event that a prior determination of the allowable Rent is made pursuant to a Fair Return petition, if a subsequent petition is filed, the Base Year shall be the year that was considered as the "current year" in the prior petition.

   (c) Unless otherwise exempted from the limitation on rent increases by local, state or federal laws or regulations, if a Rental Unit enters the marketplace for the first time after 2019, the Base Year shall be the year the Unit entered the marketplace.

4. **Current Year**

   The "current year" shall be the calendar year preceding the petition.

5. **CPI (Consumer Price Index)**

   The annual CPI for the current year for All Urban Consumers for the Minneapolis-St. Paul-Bloomington area (All Items) provided by the U.S. Bureau of Labor Statistics [Bureau of Labor Statistics Data (bls.gov)].

6. **Limits of Allowable Rent Increases in Any One Year**

   If the amount of any rent increase granted pursuant to a fair return petition exceeds 15%, the portion in excess of 15% shall be deferred to the next year or years.

   In a subsequent year, deferred amounts of the allowable rent increase may be implemented, subject to the 15% ceiling on allowable increases within a year.

I. *General Information About the Property*

1. Street Address:____
2. Parcel Numbers(s): ____________________________________
3. Year Property Purchased by Current Owner: ______________________
4. Total Number of Units on the Property: __________________________
5. Total Number of Units Affected by Proposed Rent Increase:_______________
6. Are there Rental Units that are Partially or Fully Exempt? Number of Exempt Rental Units and Basis for Exemption: ______________________________

II. *Landlord Information*

7. Name: ____
8. Phone(s): (____)____
9. Business Address:______________________________________
10. City, State, Zip: ______________________________________
11. Business E-mail:_______________________________________

III. *Agent Information*
(if applicable)

12. Name: ____
13. Phone(s): (_______)___________________________________
14. Business Address:_____________________________________
15. City, State, Zip: _____________________________________
16. Business E-mail: ____________________________________

IV. *Services*

17. Please Check The Applicable Boxes
(Identify the manner in which each service is paid)

Type of Service	Paid by Landlord, but not passed through to Tenants	Tenants pay service directly	Landlord pays service and passes cost through to Tenants
Gas			
Electricity			
Water			
Sewer			
Garbage			
Other:			

V. *Changes to Services*

18. Briefly describe the services provided to the rental units. Include all services provided and state which services are provided without additional charge:

____

____

____

19. If there have been any changes to the services listed above or in the responsibility for their payment since the base year, please explain:

____

____

____

VI. Income and Expense Explanation and Calculations

20. Calculation of Net Operating Income

Net operating income shall be calculated by subtracting operating expenses from gross rental income.

A. Gross Rental Income

Gross rental income shall include:

Scheduled rental income at one hundred percent (100%) occupancy plus all other income or consideration received or in connection with the use or occupancy of the Rental Unit.

If there is a change in the number of rental units between the Base Year & Current Year, the rental income and expenses for the same number of units shall be used in calculating the net operating income for both periods. The purpose of this provision is to provide a fair compensation between the Base Year and the Current Year.

Vacant or owner-occupied rental units at the time a petition is filed, that provided rental income in the Base Year, shall count toward the calculation of gross rental income in the Current Year. The Rent Program shall attribute rental income calculated on the basis of average rents for comparable units at the property that were most recently rented. If no comparable units on the property were rented within the last two years, initial rents for comparable units in the City may be used if there is no other basis for its calculation.

B. Gross Rental Income Shall <u>Not</u> Include:

(1) Utility charges that are sub-metered, for gas, electricity or water paid directly by the tenant;
(2) Charges for refuse disposal, sewer service or other services (which are either provided solely on a cost pass-through basis if they are regulated by state or local law)

C. Claim for Base Rent Adjustment

A claim may be made for a Base Year Rent Adjustment if the Base Year Rent and/or earlier rent amounts were disproportionately low. A Base Year Rent Adjustment will be considered if the evidence supporting a requested adjustment is provided and sufficiently compelling enough. The Rent Program may allow Landlord to submit an independent comparable rent appraisal at the expense of the Petitioner to assist in the review of a Base Year Rent Adjustment Claim.

Landlords may rebut the presumption that the Base Year net operating income provided a fair return. If a claim is made on this basis, the petitioner must complete the corresponding pages 19-22 at the end of this Attachment.

☐ **Check here if a claim for a Base Year Rent Adjustment is included in this Attachment and complete pages 19-22 of this Attachment.**

VII. Operating Expenses

Operating expenses include: Reasonable costs of operation and maintenance of the Rental Unit, including:

1. Management Expenses;
2. Utility Costs except a utility that are paid directly by the tenant(s);
3. Real Property Taxes Assessed and Paid;
4. Insurance;
5. License, Registration and other Public Fees;
6. Landlord-performed Labor;
7. Legal Expenses;
8. The Amortized Costs of Capital Improvements; and
9. Other Reasonable Operating Expenses.

Operating expenses shall <u>not</u> include the following:

1. Mortgage principal or interest payments or other debt service costs and costs associated with obtaining financing;
2. Any penalties, fees or interest assessed or awarded for violation of any provision of this chapter or of any other provision of law;
3. Land lease expenses;
4. Political contributions and payments to organizations or individuals which are substantially devoted to legislative lobbying purposes;
5. Depreciation;
6. Any expenses for which the Landlord has been reimbursed by any utility rebate or discount, Security Deposit, insurance settlement, judgment for damages, settlement or any other method or device;
7. Unreasonable increases in expenses since the Base Year;
8. Expenses associated with the provision of master-metered gas and electricity services;
9. Expenses which are attributable to unreasonable delays in performing necessary maintenance or repair work or the failure to complete necessary replacements. (For example if a roof replacement is unreasonably delayed, the full cost of the roof replacement would be allowed; however, if interior water damage occurred as a result of the unreasonable delay, that expense would not be allowable to support a fair return); and
10. Unreasonable Expenses.

VIII. Income and Operating Expense Worksheet

Annual Total		
(Insert Base and Current Years)	**Base Year (2019)****	**Current Year (2021)**
Rental Income	$	$
1. Gross scheduled rental income (monthly rent in effect on January 1, 2019 times 12) including uncollected rent.	$	$
2. Portion Attributable to Vacancy	$	$
Fees (indicate what fee is for):		
3. Late fees	$	$
4. List fees, other than utilities, collected for services & amenities not included in rent	$	$
5.	$	$
6.	$	$
7.	$	$
Other Income (list separately by type)*:		
8.	$	$
9.	$	$
10.	$	$
Fees for Utilities		
11. Gas	$	$
12. Electricity	$	$
13. Water	$	$
14. Sewer	$	$
15. Garbage & Recycling	$	$
Other (list separately by type)		
16.	$	$
17.	$	$
18. Total Income	**$**	**$**
(add only lines 1 and 3-17)		
*****Interest earned by Landlord on Tenant security deposits, other interest or investment income.	**(or an alternative year in the event of extenuating circumstances)	

IX. Operating Expenses Worksheet	Annual Total	
(Insert Base and Current Years)	**Base Year (2019)**	**Current Year (2021)**
1. Assessments	$	$
2. Real Property Taxes	$	$
3. License Tax/Fee	$	$
4. Rent Board Registration Fees	$	$
5. Insurance	$	$
6. Accounting	$	$
7. Legal (explain types of legal expenses)	$	$
8. Manager **/**Management Services	$	$
9. Security	$	$
10. Office Supplies	$	$
12. Normal Repairs	$	$
13. Owner**-**Performed Labor	$	$
14. Plumbing Maintenance	$	$
15. Pool Maintenance	$	$
16. Landscape Maintenance	$	$
17. Other Maintenance	$	$
18. Parking Lot/Street Maintenance	$	$
19. Gas (separately metered only)	$	$
20. Electricity (separately metered only)	$	$
21. Water	$	$
22. Sewer	$	$
23. Amortized portion of Capital Expense [from page _______; column (i)]	$	$
Other **(list separately by type):**		
24. Vandalism Repairs	$	$
25. Uninsured Damages	$	$
26.	$	$
Additional operating expense items can be listed for this worksheet using separate page(s) as needed.		
27. TOTAL OPERATING EXPENSES	**$**	**$**

X. Allowances for Capital Improvements

The Amortized Costs of Capital Improvements. Operating expenses include the amortized costs of capital improvements plus an interest allowance to cover the amortization of those costs. A capital improvement shall be any improvement to a unit or property which materially adds to the value of the property, appreciably prolongs its useful life or adapts it to a new use and has a useful life of more than one year and a direct cost of $250.00 or more per unit. Allowances for capital improvements shall be subject to the following conditions:

1. The amortization period shall be in conformance with the schedule adopted by the the City, as provided on pages 9-10, unless it is determined that an alternate period is justified based on the evidence presented in an appeals hearing.

2. Capital improvement costs do not include costs incurred to bring the Rental Unit into compliance with a provision of the Saint Paul Legislative Code or state law where the original installation of the improvement was not in compliance with code requirements.

3. At the end of the amortization period, the allowable monthly rent shall be decreased by any amount of a rent increase attributable to the capital improvement.

4. Portions of fair return rent increases that are attributable to capital improvements expire at the end of the amortization period.

Example of a Capital Improvement with Amortized Expenses and an Interest Allowance:

Owner filed a Petition on May 1, 2022 for an individual rent adjustment for a roof that was completed covering a four-rental unit building. The cost of the Capital Improvement was $20,000 benefiting all four units in the building. The amortization period for a roof is ten (10) years according to the below tables. The applicable interest allowance based on the Primary Mortgage Survey is 3.88% + 2% for this example. The calculation of the capital improvement per month is:

Capital Improvement Cost	Interest Allowance	Period	Total Principal & Interest – Life of Improvement	Total Interest – Life of Improvement
$20,000	**5.88%**	**10 yrs. 120 mos.**	**$26,500.52***	**$6,500.52**

Annual Amortized Cost	Monthly Amortized Cost	# of Units	Monthly Cost per Unit
$2,650.05	**$220.84**	**4**	**$55.21**

XI. Amortization Period of Capital Improvements/Expenses

In amortizing capital improvements/ expenses, the following schedule shall be used to determine the amortization period of the capital improvements and expenses. Improvements add to the health & safety of the rental unit.	Years
Appliances	
Air Conditioners*	10
Refrigerator*	5
Stove*	5
Garbage Disposal	5
Water Heater*	5
Dishwasher	5
Microwave Oven	5
Washer/Dryer	5
Fans*	5
Cabinets*	10
Carpentry	10
Counters*	10
Doors*	10
Knobs	5
Screen Doors	5
Fencing and Security*	5
Management	5
Tenant Assistance	5
Structural Repair and Retrofitting	
Foundation Repair*	10
Foundation Replacement*	20
Foundation Bolting*	20
Iron or Steel Work	20
Masonry-Chimney Repair*	20
Shear Wall Installation*	10
Electrical Wiring*	10
Elevator*	20
Fencing	
Chain	10
Block	10
Wood	10
Fire Systems	
Fire Alarm System*	10
Fire Sprinkler System*	20
Fire Escape*	10

Flooring/Floor Covering	
Hardwood	10
Tile and Linoleum	5
Carpet	5
Carpet Pad	5
Subfloor	10
Fumigation Tenting*	5
Furniture	5
Automatic Garage Door Openers*	10
Gates	
Chain Link	10
Wrought Iron	10
Wood	10
Glass	
Windows*	5
Doors*	5
Mirrors	5
Heating*	
Central	10
Gas	10
Electric	10
Solar	10
Insulation	10
Landscaping	
Planting	10
Sprinklers	10
Tree Replacement	10
Lighting	
Interior*	10
Exterior*	5
Locks*	10
Mailboxes*	10
Meters*	10
Plumbing	
Fixtures*	10
Pipe Replacement*	10
Re-Pipe Entire Building*	20
Shower Doors*	5

Painting	
Interior	5
Exterior	5
Paving	
Asphalt	10
Cement	10
Decking	10
Plastering	10
Sump Pumps*	10
Railings*	10
Roofing*	
Shingle/Asphalt	10
Built-up, Tar and Gravel	10
Tile	10
Gutters/Downspouts	10
Security*	
Entry Telephone Intercom	10
Gates/Doors	10
Fencing	10
Alarms	10
Sidewalks/Walkways*	10
Stairs	10
Stucco	10
Tilework	10
Wallpaper	5
Window Coverings*	
Drapes	5
Shades	5
Screens	5
Awnings	5
Blinds/Mini-blinds	5
Shutters	5

*Capital Improvements generally concern any change or addition to a unit or property which materially adds to the value of the property, appreciably prolongs its useful life or adapts it to a new use and has a useful life of more than one year and a direct cost of $250 or more per unit.

The * items are likely capital improvements. Other items may depend on the circumstances.

XII. *Interest Allowance* **If an amount was reported as an amortized portion of expenses on page 7, line 23 of the Base Year or current operating expense table above, complete this section.**

An interest allowance may be calculated on the cost of amortized expenses. The interest allowance shall be the interest rate equivalent to the "average rate" for a thirty-year fixed rate on home mortgages plus two percent (2%). The "average rate" shall be the rate Freddie Mac last published in its weekly Primary Mortgage Market Survey (PMMS) as of the date of the initial petition. http://www.freddiemac.com/pmms/archive.html

1. Completed Capital Improvement and Expense Worksheet (**Base Year**)

(a) Item #	(b) Description of Expense	(c) # of Units Impacted By Expense If not all units	(d) Initial Cost	(e) Interest Rate Allowed*	(f) Amortization Period (years)*	(g) Interest Amount	(h) Total Cost [Principal + Interest]	(i) Annual Cost	(j) Monthly Cost	(k) Monthly Cost Per Unit
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$

*Use the amortization table in this Attachment and the information about interest rates. Fill in columns (a) through (f) and then columns (g) through (k) will fill in automatically.

Total for Base Year: $_____________
[add amounts in column (d)]

2. Completed Capital Improvement and Expense Worksheet (**Current Year**)

(a) Item #	(b) Description of Expense	(c) # of Units Impacted By Expense If not all units	(d) Initial Cost	(e) Interest Rate Allowed*	(f) Amortization Period (years)*	(g) Interest Amount	(h) Total Cost [Principal + Interest]	(i) Annual Cost	(j) Monthly Cost	(k) Monthly Cost Per Unit
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$

*Use the amortization table in this Attachment and the information about interest rates. Fill in columns (a) through (f) and then columns (g) through (k) will fill in automatically.

Total for Current Year: $______________

XIII. Blank Worksheet (Optional – Available for Petitioner Use)

XIV. *Owner Performed Labor*

Landlord-performed labor shall be compensated at reasonable hourly rates. However, no Landlord-performed labor shall be included as an operating expense unless the Landlord submits documentation showing the date, duration, and nature of the work performed. There shall be a maximum allowed under this provision of five percent (5%) of gross income unless the Landlord demonstrates that greater services were performed for the benefit of the residents.

Owner Performed Labor – Base Year				
Date	**Hours**	**Hourly Rate**	**Units Impacted**	**Type of Work**
Owner Performed Labor – Current Year				
Date	**Hours**	**Hourly Rate**	**Units Impacted**	**Type of Work**

XV. *Planned Capital Improvements*

To encourage necessary capital improvements and expenses, a Landlord may include anticipated future expenses for the amortized cost of capital improvements and expenses in a fair return petition. An allowance shall be made for anticipated expenses that the Landlord intends to incur during the twenty-four month period following the date of a final Rent Program determination. This procedure should not be used for anticipated expenses for ordinary maintenance and repairs. The portion of any allowable rent increase attributable to the capital improvement and expense shall not go into effect until completion has been documented to the Rent Program.

Complete this table only if you are seeking preliminary approval for improvements you plan to complete within the next twenty-four (24) months. A rent increase cannot be granted until the improvements are completed and documentation of the cost of the improvements has been reviewed and approved by the City**.**

Column:
(b) - Identify capital improvements and expenses you plan to complete within twenty four (24) months.
(c) - List each unit that will benefit from the capital improvement/expense.
(b) - Provide the date you expect to complete each capital improvement/expense.
(d) - State the estimated cost of each improvement/expense.

(a) Item #	(b) Description of Expense & Estimated Date of Completion	(c) # of Units Impacted By Expense If not all units	(d) Initial Cost	(e) Interest Rate Allowed*	(f) Amortization Period (years)*	(g) Interest Amount	(h) Total Cost [Principal + Interest]	(i) Annual Cost	(j) Monthly Cost	(k) Monthly Cost Per Unit
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$
			$	%		$	$	$	$	$

*Use the amortization table in this Attachment and the information about interest rates. Fill in columns (a) through (f) and then columns (g) through (k) will fill in automatically.

Proposed Total Capital Expenses $___________

XVI. Net Operating Income (NOI)

Net Operating Income = Income – Operating Expenses:

	Base Year (2019)	Current Year (2021)
1. Total Annual Income	$__________________	$__________________
2. Annual Operating Expenses	$__________________	$__________________
3.Current Net Annual Operating Income **(**Income – Operating Expenses):	$__________________	$__________________
4. CPI [Annual Average CPI]	250.106	265.244
5. Percent Annual Increase in CPI Base Year to Current Year [Current Year Annual Average CPI – Base Year Annual Average CPI divided by Base Year Annual Average CPI]		6.05%
6. Fair Net Annual Operating Income = Base Year Net Operating Income Adjusted by CPI Increase [Line 3 Base Year + Line 5 percent]		$__________________
7. Fair Net Annual Operating Income Minus Current Net Operating Income = Allowable Rent Increase [Line 3 Current Year – Line 6]		$__________________
8.Allowable Rent Increase/Unit/Month (Line 7 divided by Number of Units divided by 12 months)		$__________________

XVII. Monthly Rents for each Rental Unit *(Initial Rent, Previous, Current, and Proposed Rent)*

Data for Each Rental Unit

List the monthly rent, including all fees, charged each tenant, for the twelve (12) months preceding the date of the petition. If the rent was raised during the twelve-month period preceding the petition, including the amount of any fees, list each rent charged and indicate the date each raise was implemented. Provide the year and amount of any unused Annual General Adjustments authorized by the City that have been banked with proper notice to each tenant for future rent increases.

Attach all documentation supporting this income.

A Monthly Rent Worksheet and a Proposed Rent Worksheet are provided on pages 17 – 18 for your convenience.

XVIII. Monthly Rent Worksheet

Unit #	Rent	AGA Increase	Date of Increase	AGA Taken (%)	AGA Deferred (%)	Other Charges (Please specify)	Comment
	$	$		%	%	$	
	$	$		%	%	$	
	$	$		%	%	$	
	$	$		%	%	$	
	$	$		%	%	$	
	$	$		%	%	$	
	$	$		%	%	$	
	$	$		%	%	$	
	$	$		%	%	$	
	$	$		%	%	$	
	$	$		%	%	$	
	$	$		%	%	$	
	$	$		%	%	$	

XIX. Proposed Adjustment Worksheet

Unit #	Base Period Rent Year (2019)	Date Tenancy Commenced (mm/dd/yyyy)	Initial Rent of Current Tenant/s	Date of Last Rent Increase (mm/dd/yyyy)	Rent used in Current Year Income Calculation	Rent as of Date Petition Submitted	Proposed Rent
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$
		/ /	$	/ /	$	$	$

XX. CLAIM FOR ADJUSTMENT OF BASE YEAR NET OPERATING INCOME AND ASSOCIATED RENT ADJUSTED CLAIM

Landlords may present evidence to rebut the presumption that the base year net operating income provided a fair return. Grounds for rebuttal of the presumption shall be based on at least one of the following findings:

1. **Check this box ☐ if you are requesting a base rent adjustment in your maintenance of net operating fair return claim.**
2. **Check the factors below that are applicable to your claim.**

☐A. Exceptional Expenses in the Base Year. The landlord's operating expenses in the base year were unusually high or low in comparison to other years. In such instances, adjustments may be made in calculating operating expenses in order that the base year operating expenses reflect average expenses for the property over a reasonable period of time. Check which factor(s) contributed to your claim:

☐ (i) Extraordinary amounts were expended for necessary maintenance and repairs

☐ (ii) Maintenance and repair expenditures were exceptionally low as to cause inadequate maintenance or significant deterioration in the quality of services provide

☐ (iii) Other expenses were unreasonably high or low notwithstanding the application of prudent business practices.

☐B. Exceptional Circumstances in the Base Year. The gross income during the base year was disproportionately low due to exceptional circumstances. In such instances, adjustments may be made in calculating base year gross rental income consistent with the purpose of analyzing base year net operating income. Check which factor(s) contributed to your claim:

☐ (i) The gross income during the base year was lower than it might have been because some residents were charged reduced rent.

☐ (ii) The gross income during the base year was significantly lower than normal because of the destruction of the premises and/or temporary relocation for construction or repairs.

☐ (iii) The pattern of rent increases in the years prior to the base year were less than increases in the CPI.

☐ (iv) Base year rents were disproportionately low in comparison to the base year rents of comparable rental units in the City of Saint Paul.

☐ (v) Other exceptional circumstances

[**Petitioners submitting a claim based on this factor may be required to pay for an independent appraisal by an appraiser approved by the City**].

☐C. Explanation for Basis in Support of Claim for Adjustment of Base Year Rent.

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XXI. Income and Operating Expense Worksheet With Adjustment of Base Year Amounts		
Annual Total		
(Insert Base and Current Years)	**Base Year (2019)**	**Current Year (2021)**
Rental Income	$	$
1. Gross scheduled rental income (monthly rent in effect on May 1, 2022 times 12) including uncollected rent.	$	$
2. Portion Attributable to Vacancy	$	$
Fees (indicate what fee is for):		
3. Late fees	$	$
4. List fees, other than utilities, collected for services & amenities not included in rent	$	$
5.	$	$
6.	$	$
7.	$	$
Other Income (list separately by type)*:		
8.	$	$
9.	$	$
10.	$	$
Fees for Utilities		
11. Gas		
12. Electricity	$	$
13. Water	$	$
14. Sewer	$	$
15. Garbage & Recycling	$	$
Other (list separately by type)		
16.	$	$
17.	$	$
18. Total Income	**$**	**$**
(add only lines 1 and 3-17)		
***Interest earned by Landlord on Tenant security deposits, other interest or investment income.**		

XXIII. Calculation of Fair Return Rent Adjustment with Adjustments of Base Year Amount:

	Base Year (2019)	**Current Year (2021)**
1. Proposed Adjusted/Total Income*	**$**__________________	**$**__________________
2.Operating Expenses	**$**__________________	**$**__________________
3. Net Operating Income (Income – Operating Expenses):	**$**__________________	**$**__________________
4. CPI [Annual Average CPI]	250.106	265.244
5. Percent Annual Increase in CPI Base Year to Current Year [Current Year Annual Average CPI – Base Year Annual Average CPI divided by Base Year Annual Average CPI]		6.05%
6. Fair Net Annual Operating Income = Base Year Net Operating Income Adjusted by CPI Increase [Line 3 Base Year + Line 5 percent]		$__________________
7. Fair Net Annual Operating Income Minus Current Net Operating Income = Allowable Rent Increase [Line 3 Current Year – Line 6]		$__________________
8.Allowable Rent Increase/Unit/Month (Line 7 divided by Number of Units divided by 12 months)		$__________________

*** This MNOI calculation requires a determination of an adjustment to the Base Year Total Income prior to completing this form. The proof provided in support of the Exceptional Circumstances required on Page 19 sections 2 (A) and 2 (B) of this form will determine if an adjustment is appropriate. A proposed Base Year Total Income adjustment can be provided as a starting point.**

XXIV. Other Claims

Explain any other claims in support of this application and provide/attach any evidence in support of those claims. Please use additional pages as appropriate:

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XXV. Documentation of Current Year & Operating Expenses

1. Organize documents by operating expense category.
2. Number each page, submitted with this Attachment, with the number of the Expense Category (for instance on page 7, category of Landscape Maintenance is on line 16, any documents supporting that line item would be marked p.7, 16-1, p. 7 16-2, p. 7 16-3 and so on).