



RENT BOARD
February 8, 2023
4:00 PM

ZOOM INFORMATION:

Please click the link below to join the webinar:

<https://portlandmaine-gov.zoom.us/j/86889300350>

Or One tap mobile :

US: +16469313860,,86889300350# or +19292056099,,86889300350#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 646 931 3860 or +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 +1 507 473 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 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

Webinar ID: 868 8930 0350

International numbers available: <https://portlandmaine-gov.zoom.us/j/kc8rQV3YSu>

ROLL CALL:

III. APPROVAL OF MINUTES

COMMUNICATIONS:

UNFINISHED BUSINESS:

VI. New Business

- a. Discussion of Revised Forms, Rules, and Procedures

VII. Adjourn

City of Portland

Permitting and Inspections Department

Landlord Worksheet/Petition for Rent Board Approved Increase

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 investment, which means an amount sufficient to allow a just and reasonable rate of return, to encourage the investment of capital in the rental housing market, to fairly compensate investors for the risks they have assumed, and to achieve minimum constitutionally protected standards. Pursuant to the Rent Control Ordinance, the City has adopted a Maintenance of Net Operating Income (MNOI) methodology to determine whether a Landlord is entitled to a Rent Board-approved increase in addition to the Annual Increase Percentage, New Tenancy increase, and Banked Rent otherwise allowed by ordinance in order to receive a fair return. (posted on the website). To qualify for a MNOI increase, landlord has to file this application for a hearing by the Rent Board.

1. Presumption of Base Year Net Operating Income

It shall be presumed that the net operating income received by the landlord during the calendar year 2019 (the Base Year) yielded a Fair Return on investment. 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 Greater Boston Metro area (All Urban Consumers, All Items) provided by the U.S. Bureau of Labor Statistics [[Bureau of Labor Statistics Data \(bls.gov\)](https://www.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 10%, the portion in excess of 10% 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 10% ceiling on allowable increases within a 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 to show that special or peculiar circumstances prevented the landlord from receiving a fair return on investment during that period.. 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.
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VIII. Income and Operating Expense Worksheet

Annual Total		
(Insert Base and Current Years)	Base Year (2019)**	Current Year (2022)
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 charged by LL 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 (2022)
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/snow removal	\$	\$
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 Portland Code or state law where the original installation of the improvement was not in compliance with code requirements.

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

Owner filed a Petition on March 1, 2023 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
<i>Appliances</i>	
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
<i>Structural Repair and Retrofitting</i>	
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
<i>Fencing</i>	
Chain	10
Block	10
Wood	10
<i>Fire Systems</i>	
Fire Alarm System*	10
Fire Sprinkler System*	20
Fire Escape*	10

	Years
<i>Flooring/Floor Covering</i>	
Hardwood	10
Tile and Linoleum	5
Carpet	5
Carpet Pad	5
Subfloor	10
Fumigation Tenting*	5
Furniture	5
Automatic Garage Door Openers*	10
<i>Gates</i>	
Chain Link	10
Wrought Iron	10
Wood	10
<i>Glass</i>	
Windows*	5
Doors*	5
Mirrors	5
<i>Heating*</i>	
Central	10
Gas	10
Electric	10
Solar	10
Insulation	10
<i>Landscaping</i>	
Planting	10
Sprinklers	10
Tree Replacement	10
<i>Lighting</i>	
Interior*	10
Exterior*	5
Locks*	10
Mailboxes*	10
Meters*	10
<i>Plumbing</i>	
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
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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		
	4. CPI [Annual Average CPI]	281.082	314.356
	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. 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 (banked) Annual Increase Percentage, Tax Rate Rent Adjustment (prior to 2023), or New Tenancy 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.
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XVIII. Monthly Rent Worksheet

Unit #	Rent	AIP & New Tenant Increase	Date of Increase	AIP & New Tenant Taken (%)	AIP & New Tenant 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.

**XXI. 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) Other exceptional circumstances

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

XXII. Income and Operating Expense Worksheet With Adjustment of Base Year Amounts

Annual Total

(Insert Base and Current Years)

Base Year
(2019)Current Year
(2022)

Rental Income

\$

\$

1. Gross scheduled rental income (monthly rent in effect on?? 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.

III. Calculation of Fair Return Rent Adjustment with Adjustments of Base Year Amount:	Net Operating Income = Income – Operating Expenses		
		Base Year (2019)	Current Year (2022)
	1. Proposed Adjusted/Total Income*		
	2. Operating Expenses		
	3. Net Operating Income [Income – Expenses]		
	4. CPI [Annual Average CPI]	281.082	314.356
	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. 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. Page 21			

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:

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).

XXV. Current Tenant Information (if there are more than 4 affected tenants, attach additional sheet(s).

Tenant's Name _____
First Last Unit number

Mailing address if different: _____ Email address: _____

Tenant's Name _____
First Last Unit number

Mailing address if different: _____ Email address: _____

Tenant's Name _____
First Last Unit number

Mailing address if different: _____ Email address: _____

Tenant's Name _____
First Last Unit number

Mailing address if different: _____ Email address: _____

I hereby certify that the information provided is accurate to the best of my knowledge, request that any required notices be given and ask that a hearing be scheduled in front of the Rent Board to process this request for a rent increase as outlined above.

Signature of Applicant Landlord:

Printed name

Signature

Date



CITY OF PORTLAND
Permitting and Inspections Department

RULES OF THE PORTLAND RENT BOARD

ARTICLE I. GENERAL PROVISIONS

Section 1. These rules are supplementary to the provisions of Chapter 6 of the Municipal Code as it relates to the procedures of the Rent Board and are adopted pursuant to the authority granted in Section 6-258(b) of said Code.

Section 2. Roberts Rules of Order shall supplement these rules and shall control procedures not covered by these rules.

ARTICLE II. OFFICERS AND DUTIES

Section 1. The officers of the Committee shall be the Chair and the Vice Chair.

Section 2. The Chair and Vice Chair shall be elected annually by the regular members at the last regular meeting in April, or in the case of the first year, in June following the expiration of the term of the initial Chair *pro tempore*.

ARTICLE III. MEETINGS

Section 1. Regular meetings shall be held on the fourth Wednesday of each month at 5:00 p.m. in City Hall or at such other location of which notice is given, or by virtual meeting as allowed by law. If a regular meeting day falls on a recognized holiday, the regular meeting shall be held on the following Wednesday.

Section 2. Special meetings may be called by the Chair upon the request of the City Council or any three or more members of the Board, provided that at least three (3) full business days' notice is given to each member.

Section 3. Meetings of any committee of the Rent Board shall be held at the call of the committee or the committee Chair or by agreement of at least two committee members.

Section 4. The Chair, in consultation with the Licensing and Housing Safety Manager, shall set the agenda for public hearings and other meetings.

Section 5. The Board may, by a majority vote, specify a date for an agenda item.

ARTICLE IV. ORDER OF BUSINESS

Section 1. All regular meetings of the Board shall proceed as follows:

- a. Roll call and declaration of a quorum;
- b. Approval of the minutes of the previous meeting.
- c. Communications from the Housing Safety Office or written public comment received prior to meeting;
- d. Unfinished business;
- e. New business:
 - i. Consent agenda
 - (a) Consent items
 - (b) Public hearings for items removed from the consent agenda
 - ii. Other items;
- f. Adjournment.

Provided, however, that the order of business may be adjusted by the Chair if necessary to give scheduling priority to any tenant complaint of improper rent increase pursuant to 6-234(e) which is properly before the Rent Board in order to meet the time limits stated in 6-234(e) and 6-263(c)(e), to the extent practicable.

ARTICLE V. NOTICE

Section 1. The Housing Safety Office shall give notice of public hearings in the form and manner and to the persons herein specified. The notice shall include the time and place of such hearing, a description of the contents of the matter to be heard and the address or location of the property involved. Where notice is required, it shall be given by electronic mail at least seven (7) days in advance of the hearing date. Applicants (both landlord and tenant) must provide a valid email address of all parties for noticing purposes. In the event that an applicant is not able to provide a valid email address or otherwise requires noticing by alternative means, the applicant may request a reasonable alternative method of noticing from the Housing Safety Office. Absent alternative methods, notices shall be given to each of the following as specified:

- a. In all cases, to the applicant at the email address furnished by the applicant on the application;

b. In all cases, to all residents of the city by posting the agenda and certain materials for scheduled meetings on the City of Portland Agenda Center. The agenda and certain materials for a regular Wednesday meeting shall be posted by the close of business on the previous Friday.

c. In the case of a hearing relating to alleged impermissible action by a landlord or proposed landlord, (i) by email to the alleged landlord as listed on the complaint form ~~which was signed by landlord~~, and, if different: (ii) by email to the owner of the real property containing the dwelling unit involved in the alleged impermissible action as listed by the Assessor's Department as those against whom taxes are assessed, and (iii) by email to the owner of said real property as listed in the Housing Safety Office rental registration for that property address, and (iv) by email to any property manager listed in the Housing Safety Office rental registration for that property address.

d. In the case of a hearing relating to a landlord application for a rent increase, (i) by email to the applicant as listed on the application form, and, if different: (ii) by email to the owner of the real property at the email address listed on the application form, and (iii) by email to the owner of the real property as listed in the Housing Safety Office rental registration for the property address, and (iv) by email to any property manager listed in the Housing Safety Office rental registration for the property address. In addition, notice shall be given by email to the tenant(s) of any dwelling unit(s) that is/are the subject of the proposed rent increase. If there is more than one tenant in a dwelling unit, it is preferable for email notice to be given to each adult tenant of the dwelling unit, but notice shall be deemed sufficient hereunder for that dwelling unit if it is emailed to at least one tenant who is then residing in the dwelling unit and is of suitable age and discretion.

ARTICLE VI. CONDUCT OF PUBLIC HEARINGS

Section 1. General Expectations and Method of Participation

a. The Board and members of the public are expected to act with civility and to treat each other with mutual respect.

b. ~~All remote meetings will be live-streamed online. In-person meetings may be live-streamed pending availability of City resources. Recordings and minutes of past meetings are available in the Agenda and Minutes page of the City's website. All remote meetings will be conducted in accordance with the Remote Participation Policy of the City of Portland City Council and City Council Committees.~~

c. ~~Notwithstanding b., above, The Chair may designate a meeting to be held remotely when in the opinion of the Chair it is reasonably necessary to ensure the presence of members constituting at least a quorum.~~

Section 2. Order of Proceedings. The following order of proceedings shall govern all public hearings conducted by the Rent Board:

- a) The Chair shall begin each hearing with the following statement:

Good evening, folks.

I am Chairperson _____. My preferred pronouns (if comfortable stating) are _____. Today's date is (**month, date, year**). This public hearing will be conducted under the scope and purview of the Rent Board Committee of the City of Portland, pursuant to Chapter 6, Articles XII and XIII of the City of Portland Code of Ordinances.

The Rent Board has convened today to hear, review, and rule on the matters as listed on today's agenda.

- b) Following this introduction, the Chair shall provide an overview of the Hearing Procedure, which may summarize these hearing rules.
- c) Following the Article IV Order of Business, at the appropriate time, the Chair will begin any scheduled hearing.
- d) Applicants will then state their case before the Board, and may present witnesses and offer documentary evidence.
- e) Following the conclusion of the Applicant's case, any Objector may present witnesses and offer documentary evidence. Objectors are defined as follows: in the case of a Landlord Applicant, each tenant of the dwelling unit(s) which is/are the subject of matter of the application shall be deemed to be an Objector if present and participating in the hearing. In the case of a Tenant Applicant, each individual who is defined to be a Landlord of the dwelling unit shall be deemed to be an Objector if present and participating in the hearing. In addition, pursuant to Section 6-255, the Chair has the authority, at the Chair's discretion, upon request, to designate any person or organization who is present and wants to participate in the hearing as a "specially interested party" with the rights of an Objector for purposes of offering evidence and conducting cross examination at the hearing. Any "specially interested party" designation made by the Chair may be overridden by a majority vote of Rent Board members present. Any person or organization whose request to be designated as a "specially interested party" is not granted may, nevertheless, participate in the hearing as a member of the public. The Chair may ask each purported Objector to identify his/her interest in the matter for purposes of determining standing, and to provide an email address for purposes of notice. The Chair's determination of Objector status may only be overridden by a majority vote of Rent Board members present.

- f) Following the conclusion of the Applicant's case and any Objector's case, members of the public who are neither Applicant nor Objector may offer evidence or statements relevant to the matter under consideration. Each speaker shall be limited to three (3) minutes. The Chair may, at its discretion, extend this period for up to an additional three (3) minutes and may limit irrelevant, immaterial, or unduly repetitious evidence.
- g) Applicants may then offer rebuttal evidence, and Objectors may then offer evidence in response to any evidence first presented by Applicant during rebuttal.
- h) Acting through the Chair, the Applicant and any Objector may cross-examine witnesses. Any cross-examination shall be conducted as directed by the Chair. The Chair may limit irrelevant, immaterial, or unduly repetitious evidence.
- i) Acting through the Chair, members of the Board may ask questions of any interested parties, including but not limited to the Applicant and/or any Objector, and may ask questions of City staff at any time.
- j) Members of the public may be given the opportunity to respond to new issues raised by answers or information provided by the Applicant, Objector, or City staff. It shall be within the discretion of the Chair to determine whether a response is appropriate. In making this determination, the Chair shall decide whether the response is likely to consist of facts or information which could not have been presented during the public comment period. The Committee may override such a determination by the Chair by a majority vote.
- k) At the conclusion of this process, the public portion of the proceeding will be closed and the Rent Board will deliberate and rule on the application, pursuant to the applicable provisions of Articles XII and XIII of the City of Portland Code of Ordinances, (i.e., Rent Control and Rent Board, respectively).

i) At any point during a meeting, the Rent Board may, by a majority vote, postpone further deliberations to a future date to allow the applicant further time to provide supplemental information in support of their application. Upon continuing deliberations, if in the opinion of the Chair significant information has been provided which is different than that provided at a prior meeting, the Rent Board will begin by (re)opening the public hearing following the procedure in paragraphs d) through j) above.

Section 3. No new agenda items will be taken up after 9:30 p.m. unless at least four members of the Rent Board vote to suspend this rule. Any agenda items which have not begun before 9:30 p.m. and for which the Rent Board has not suspended this rule shall be automatically tabled to the next regularly scheduled meeting or to a date determined by the Rent Board. Any item tabled under the provisions of this rule shall be considered as

unfinished business at the next regularly scheduled meeting or at the meeting date specified by the Rent Board.

ARTICLE VII. DELIBERATIONS, VOTING, DECISIONS

Section 1. As to any matters not requiring a hearing, the Rent Board may meet and deliberate at any properly called meeting, regardless of the presence of a quorum, or may continue consideration of such matter to any later meeting. However, no final action shall be taken on such a matter without a quorum being present.

Section 2. As to any matter requiring a hearing, no business may be transacted by the Board without a quorum, consisting of four (4) members. The concurring vote of at least four members of the Board is necessary to constitute an action of the Rent Board.

Section 3. Any one or more members of the Rent Board may file minority or dissenting reports in support of any position concerning any matter brought before the Board.

Section 4. Notice of any decision made by the Rent Board will be sent by electronic mail to the Applicant and to any Objector who was present and participated in the hearing (including but not limited to a "specially interested party") within 5 days of a ruling being made.

Section 5. Appeals from decisions of the Rent Board may be filed in the Superior Court, pursuant to Sec. 6-262 of the City of Portland Code of Ordinances and M.R. Civ. P. 80B.

ARTICLE VIII. MEDIATION

Section 1. While Sec. 6-263 of the City of Portland Code of Ordinances, Jurisdiction and Authority, gives the Board the authority to mediate any disputes arising between Landlords and Tenants where both parties request such mediation, no such mediation shall be conducted by the Board unless and until it adopts specific rules pertaining to the scope of the subject matter jurisdiction, the procedures for conducting mediation, procedures for subsequent Board hearings if mediation fails, mediator training, and such other procedural matters as it deems appropriate, and such rules are approved by the City Council.

ARTICLE ~~XIV~~III. AMENDMENT OF RULES

Section 1. These rules may be amended by an affirmative majority vote of the members of the Rent Board.

Section 2. The proposed amendment must be presented in writing at a regular or special Rent Board meeting preceding the meeting at which the vote is taken.

Section 3. Amended rules are subject to approval of the City Council if required pursuant to Section 6-263(i), and shall be kept on file in the Housing Safety Office.

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RENT INCREASE APPEAL APPLICATION

RENT STABILIZATION ORDINANCE

Rental Unit Information:

Number of Units located on the property_____

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Tenant's Name: _____,
First Name Last Name Unit #

Mailing address if different _____ Email address: _____

Tenant's Name: _____,
First Name Last Name Unit #

Mailing address if different _____ Email address: _____

Landlord/Property Owner Information:

Landlord/Property Owner's Name: _____
First Name Middle Initial Last Name

Company/LLC/Inc./Partnership (if applicable) _____

Phone: (____) _____ Email : _____

Mailing Address: _____

Landlord's Representative or Agent (if known) such as attorney, or management company or property manager:

☐ No representative ☐ Attorney ☐ Management company or property manager

Name: _____ Firm/Organization _____

Mailing Address: _____

Phone Number: _____ Email: _____

CERTIFICATION BY TENANT(S) FILING APPEAL

Tenant(s) as listed above, by signature hereto, hereby individually and collectively, certify that all of the following statements are true:

- *Tenant received a notice of rent increase from Landlord that Tenant believes does not conform with Section 6-234 the Rent Stabilization Ordinance;*
- *Tenant filed a complete Tenant Complaint containing that allegation with the Housing Safety Office at least fourteen (14) days prior to the filing of this Rent Increase Appeal;*
- *Landlord, as identified above, has not rescinded the notice of rent increase complained of as of the date of the filing of this Rent Increase Appeal Application;*
- *Tenant hereby requests that the Rent Board hear, review, and grant or deny this appeal regarding whether the proposed rent increase rent increase conforms with Section 6-234 of the Rent Stabilization Ordinance; and*
- *Tenant has attached to this Rent Increase Appeal all of the following, as itemized below:*
 1. Fully executed copy, signed by Tenant and Landlord, of any applicable lease or written rental agreement;
 2. Accurate copy of any and all notice(s) of rent increase which Tenant believes do(es) not conform with Section 6-234 of the Rent Stabilization Ordinance;
 3. Accurate copies of any and all other written communications between Landlord and Tenant pertaining to the subject matter of the complaint.
 4. A complete copy of the Tenant Complaint which was filed with the Housing Safety Office at least 14 days prior to the filing of this Rent Increase Appeal and copies of all notices from Housing Safety Office to Tenant generated in connection with that Tenant Complaint.
 5. A statement, identifying with specificity, of all of the ways in which Tenant believes that the notice(s) of rent increase do(es) not conform to Section 6-234 of the Rent Stabilization Ordinance; and
 6. Such other information as Tenant believes is necessary for review by the Rent Board

Signatures of Tenant(s)

Printed name

Signature

Date

Printed name

Signature

Date

Printed name

Signature

Date

389 Congress Street/ Portland, Maine 04101/ www.portlandmaine.gov / tel: 207-756-8131/ fax: 207-756-8111

Blank lined paper with a large, faint, diagonal watermark reading "DRAFT" across the center.

Date of receipt of original, signed Rent Increase Appeal: _____

Has HSO been able to contact the named Landlord in relation to this complaint at the mailing address listed above for purposes of notice: ☒ yes ☐ no



CITY OF PORTLAND

Permitting and Inspections Department

Tenant Complaint and Rent Increase Appeal Application

Complete this form (or file online) to file a complaint with the Housing Safety Office. Before signing, please read the disclosure of additional/alternative protections and indicate at the bottom of the form whether you would like to seek a Rent Board hearing.

Tenant Name(s): _____

Phone: (____) _____ - _____ Email: _____

Tenant Name(s): _____

Phone: (____) _____ - _____ Email: _____

Tenant Name(s): _____

Phone: (____) _____ - _____ Email: _____

Tenant Name(s): _____

Phone: (____) _____ - _____ Email: _____

Tenant Name(s): _____

Phone: (____) _____ - _____ Email: _____

Mailing Address: _____

Landlord Name: _____

Phone: (____) _____ - _____ Email: _____

Mailing Address: _____

Rental Property Address: _____ Unit: _____

Accommodations (please select any that apply):

- ☐ Interpretation Services required for Rent Board hearing or staff interaction.
- ☐ Staff assistance needed

- ☐ I need the renter protections provided in the new rent control ordinance explained to me in greater detail by the Office of Housing Safety.

389 Congress Street • Portland, Maine 04101 • 207-756-8131 [housingsafety@portlandmaine.gov](mailto: housingsafety@portlandmaine.gov) •

www.portlandmaine.gov

Type of complaint (please select any that apply):

- ☐ Amount of rent the landlord may charge the tenant.

Rent charged as of June 2020 (if known): _____

Rent charged of previous tenant (if known): _____

Current rent, with date: _____ as of _____

Proposed amount after rent increase: _____

Reason for increase, if applicable: _____

~~(If you wish to appeal a rent increase to the Rent Board, please check the box at the bottom of this document, below the signature page, which allows you to request hearing with the Rent Board.)~~ 2

- ☐ A tenancy ~~at will~~ was terminated without giving 90-days' notice or without providing an inconvenience fee, in violation of Sec. 6-236.

- ☐ After January 1, 2021, landlord failed to provide tenant's rights document and/or failed to post a copy of tenant's rights document in a conspicuous common area. (Sec. 6-238 (d))

- ☐ Landlord attempted to require, encourage, or induce tenant to waive the privileges provided in the Rent Control ordinance (Sec. 6-239.)

- ☐ Individual believes landlord discriminated against them by refusing to rent to them in violation of Sec. 6-237, based on the following (mark all that apply):

- ☐ Race, color, sex, sexual orientation, physical or mental disability, ancestry, national origin, or family status.
- ☐ Source of income.
- ☐ If they receive federal, state, or local rental assistance program.
- ☐ Landlord refused to comply with federal, state, or local requirements of rental assistance program as described in Sec. 6-237 (d).

- ☐ Tenant wishes to report a violation of Maine statute regarding the habitability of residential units. NOTE: Statute of Habitability Concerns (6-263 (c)) (please select any that apply):

☐ Inadequate Heat/Faulty Heat System

☐ Leaking Ceilings

☐ Inadequate Hot Water

☐ Unfit Drinking Water

☐ Poor Air Quality

☐ Unsafe Electrical Wiring

☐ Malfunctioning Sewer System

☐ Other: _____

Comments (please describe any more details of your complaint):

(NOTE: Please see disclosure form below for more information.)

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Disclosure of Additional/Alternative Protections

How this form is used:

- Any complaint made to the Housing Safety Office (HSO) via this form will be investigated by the appropriate members of City Staff. If HSO found a violation, the landlord would be asked to correct it. If the landlord did not do so willingly, HSO would issue a notice of violation (NOV). If the NOV was not successful, HSO has the option of issuing a summons or filing a complaint in court to enforce the ordinance.'
- Any action taken by HSO will be separate from any decisions made by the Rent Board, but evidence from an HSO investigation may be used by a party seeking a Rent Board hearing.
- ~~THIS DOES NOT PREVENT A TENANT FROM SEEKING A RENT BOARD HEARING FOR ALLEGED VIOLATIONS.~~

Warranty of Habitability:

- If, within 14 days of filing a complaint about a notice of rent increase with HSO the notice of rent increase is not rescinded by the landlord, an appeal may be filed with the Rent Board.*
- If a tenant requests that a landlord correct a breach of the warranty of habitability, and the landlord refuses, the tenant may appeal this refusal to the Rent Board. This type of Rent Board Hearing DOES NOT require the signature of the landlord. The Rent Board is also limited in their jurisdiction in enforcing the allegations of the breach of warranty of habitability.
 - Allegations of warranty of habitability violations are typically handled and enforced in District Court. To do this a tenant must:
 - First give written notice of the alleged violation to the landlord.
 - If the landlord fails to address the issue, the tenant may file a complaint in District Court. If the court finds that the warranty of habitability is breached, the court can order that the condition be fixed, that the landlord rebate a certain amount of rent paid while that condition existed, require the landlord to pay temporary relocation costs for the tenant while the condition is being fixed, and similar remedies.

Discrimination:

- The Maine Human Rights Act (MHRA) also prohibits housing discrimination based on protected class, with some added protections that are not in the rent control ordinance. In order to use the protections in the MHRA, a tenant must file a claim in the Maine Human Rights Commission, and then eventually in court. A court could order the landlord to put the tenant in housing and/or award monetary damages to the tenant.
- In cases of discrimination based on source of income**, the protections provided under the City of Portland's rent control ordinance may be greater than those provided by the Maine Human Rights Act. To learn more about the Maine Human Rights Act, contact the Maine Human Rights Commission at 51 State House Station, Augusta, Maine 04333-0051, by phone at (207) 624-6290; or by fax at (207) 624-8729.

Termination of Tenancies-at-will:

- file a complaint with HSO.*
- If you are a tenant-at-will, and your landlord attempts to improperly terminate your tenancy in violation of the City of Portland's Rent Control ordinance (i.e., not providing 90 days' notice, or paying the tenant to reduce the required notice) you may wish to request a Rent Board hearing regarding the dispute. *(which generally requires a 7-day notice)*
 - HOWEVER, the State of Maine also has a statute that governs evictions. Other than "for-cause" evictions, by statute a landlord must generally give a tenant-at-will a 30-day notice when terminating a tenancy. District Court will have jurisdiction over whether you will be evicted and if you are opposed, you should appear in District Court in accordance with any Summons.

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~~Please provide signatures below and indicate if you would like to seek a Rent Board hearing.~~

Tenant Signature: _____ Date: _____

Tenant Signature: _____ Date: _____

Tenant Signature: _____ Date: _____

Tenant Signature: _____ Date: _____

Tenant Signature: _____ Date: _____

Printed Name of person assisting tenant (s): _____

Relationship to Tenant (s): _____

Signature of person assisting tenant (s): _____ Date: _____

Landlord Signature: _____ Date: _____

Printed Name of person assisting landlord: _____

Relationship to landlord: _____

Signature of person assisting landlord: _____ Date: _____

☐ ~~PLEASE CHECK THIS BOX IF YOU WISH TO SEEK A RENT BOARD HEARING, REVIEW, AND
DECISION REGARDING YOUR COMPLAINT OR DISPUTE.~~

Include ^{all} relevant documentation for the Housing Safety Office, ^{is} and/or Rent Board's
consideration, *including but not limited to any written*

NOTE: Landlord signatures only required if seeking a Rent Board Hearing. Landlord signature is *not required* for a Rent Board Hearing if tenant is making an allegation regarding the Warranty of Habitability. If you are unable or uncomfortable obtaining a signature from your landlord, The Office of Housing Safety will reach out to them and request a signature using the information provided above.

Please read the above disclosure form for more information about seeking a remedy in District Court for allegations of a breach of the Warranty of Habitability.

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*lease, all notices of
rent increase,
and any other
written communi-
cations between Land-
lord and Tenant
pertaining
to the subject
of the complaint.*