RENT BOARD
March 22, 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
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II. ROLL CALL:

III. APPROVAL OF MINUTES

a. February 22, 2023 Minutes

IV. COMMUNICATIONS:

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"*

a. Written Public Comments

V. UNFINISHED BUSINESS:

VI. NEW BUSINESS

a. Rent Increase Application - Public Comment
Owner: Seaforth Housing LLC
Owner's Representative: David M. Hirshon, Hirshon Law Group, P.C.
Address: 389 Cumberland Ave, all 116 units
CBL: 036-I-037-001
Type of Increase: Capital Improvement Costs & Fair Rate of Return

b. Rent Increase Application - Public Comment
Owner: Eastern Residential Inc.
Owner's Representative: Caleb Normandeau with Port Property
Address: 16 Walnut St, Units 1-8 & B (Legal address is 304 Eastern Prom)
CBL: 015-B-001-002
Type of Increase: Increased Housing Service Costs

c. Rent Increase Application - Public Comment
Owner: Eastern Residential Inc.
Owner's Representative: Caleb Normandeau with Port Property
Address: 25-27 Montreal St, Units 1-8 (Legal address is 304 Eastern Prom)
CBL: 015-B-001-002
Type of Increase: Increased Housing Service Costs

d. Rent Increase Application - Public Comment
Owner: Eastern Residential Inc.
Owner's Representative: Caleb Normandeau with Port Property
Address: 304 Eastern Prom, Units 1-8
CBL: 015-B-001-002
Type of Increase: Increased Housing Service Costs

e. Rent Increase Application - Public Comment
Owner: Eastern Residential Inc.
Owner's Representative: Caleb Normandeau with Port Property
Address: 13 Montreal St, Units 1-8 (Legal address is 304 Eastern Prom)

CBL: 015-B-001-002
Type of Increase: Increased Housing Service Costs

f. Rent Increase Application - Public Comment
Owner: Eastern Residential Inc.
Owner's Representative: Caleb Normandeau with Port Property
Address: 19 Montreal St, Units 1-8 & B (Legal address is 304 Eastern Prom)
CBL: 015-B-001-002
Type of Increase: Increased Housing Service Costs

g. Rent Increase Application - Public Comment
Owner: Eastern Residential Inc.
Owner's Representative: Caleb Normandeau with Port Property
Address: 10 Walnut St, Units 1-8 (Legal address is 304 Eastern Prom)
CBL: 015-B-001-002
Type of Increase: Increased Housing Service Costs

h. Rent Increase Application - Public Comment
Owner: Grant Street Realty Group LLC
Owner's Representative: Caleb Normandeau with Port Property
Address: 61 Grant St, All 6 units (Legal address is 65 Grant St)
CBL: 048-B-016-001
Type of Increase: Increased Housing Service Costs

i. Rent Increase Application - Public Comment
Owner: Grant Street Realty Group LLC
Owner's Representative: Caleb Normandeau with Port Property
Address: 63 Grant St, Units 1-6 (Legal address is 65 Grant St)
CBL: 048-B-016-001
Type of Increase: Increased Housing Service Costs

j. Rent Increase Application - Public Comment
Owner: Grant Street Realty Group LLC
Owner's Representative: Caleb Normandeau with Port Property
Address: 65 Grant St, Units 1-6
CBL: 048-B-016-001
Type of Increase: Increased Housing Service Costs

k. Rent Increase Application - Public Comment
Owner: West Bayside Partners LLC
Owner's Representative: Caleb Normandeau with Port Property
Address: 132 Marginal Way, All 196 units

CBL: 442-A-001-001
Type of Increase: Capital Improvement Costs & Increased Housing Service Costs

VII. ADJOURN

Remote Rent Board Meeting Minutes - Held Via Zoom

Wednesday, February 22, 2023 Start time: 5:02pm

II. Roll Call

Elliott Simpson, Tenant, District 3 - Chair
Barbara Vestal, Landlord, At-Large - Vice Chair
Vacant, District 1
Vacant, District 2
Ian McCracken, Landlord, District 4
Philip Mathieu, Tenant, District 5
Elias Kann, Tenant, At-Large

Staff present:

Katlyn Sawyer, Licensing & Registration Coordinator
Zachary Lenhert Licensing & Housing Safety Manager
Benjamin Plante, Esq., Counsel for the Rent Board

III. Minutes - 00:01:17

A. January 25, 2023 Minutes

The Vice Chair requested two amendments in both Agenda Items B & C under New Business to change wording from "No public comment was sought" to "No public comment was received".

The Vice Chair made a motion to approve the minutes as corrected, seconded by Elias Kann. Vote: 5-0 (Two vacancies on the Board).

B. February 8, 2023 Workshop Minutes - 00:03:16

The Vice Chair made a motion to accept the minutes as written, seconded by Philip Mathieu. Vote: 4-0 (Two vacancies on the Board and Elias abstained).

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".**

There are no agenda items to be discussed.

V. Unfinished Business - 00:05:48

A. Rent Increase Application - Public Comment
Owner: Richard MacLaughlin
Property Address: 57 Walton Street, Unit 1
CBL: 141-A-007-001
Type of Increase: Capital Improvement Costs

The unit is vacant, so no tenants spoke as objectors.

No public comment was received.

00:22:09 - The Vice Chair makes a motion based on the materials presented, that the Board finds that there were improvements made which were found to be capital improvements ($46,341.75). The Board agrees to amortize that amount over ten years, which would result in a monthly amount of $386.00, and that the Board approves an increase based on capital improvements of $386 per month but specifies that it is subject to the overall 10% cap on increases per year. Some of the increase will need to be banked.

Seconded by Elias. Vote: 5-0 (Two vacancies on the Board).

The Board will return to the decision form at the end of the meeting.

VI. New Business - 00:27:22

A. Rent Board Remote Participation Policy

There was some discussion regarding this document.

Benjamin Plante, Esq., Counsel for the Rent Board clarified that this specific policy largely parrots the remote participation statute which is within Title 1, Section 403(B). Mr LaPlante also quoted sub-section 2(E).

The Chair opened up this item for public comment, in which none was received.

00:43:10 - Philip Mathieu made a motion to adopt this policy as written, seconded by Elias Kann. Vote: 5-0 (Two vacancies on the Board).

B. Rent Board Rules of Procedure - 00:43:50

Amendments to this were made by the Vice Chair, Philip, and Amy McNally from Corporation Counsel.

The Chair opened up this item for public comment, in which none was received.

00:48:25 - Philip made a motion to approve this as written, with the correction to formatting for Article 6, Section 2. Seconded by the Vice Chair. Vote: 5-0 (Two vacancies on the Board).

The Board has adopted the revised rules.

C. New Rent Increase Appeal Application - 00:49:18

Amendments to this were made by the Vice Chair and Philip.

The Chair opened up this item for public comment, in which none was received due to no attendees from the public being present.

Zachary Lenhert, Manager of the Housing Safety Office (HSO), explained to the Board how tenant complaints are received (through various forms of communication), processed, and resulted as it relates to the Rent Board's Tenant Complaint Form.

01:01:47 - The Vice Chair suggested that on page 3, item #4 be deleted based on the conversation with HSO, and that item #5 and #6 would be renumbered.

01:03:50 - The Vice Chair made a motion to accept the Rent Increase Appeal Application as drafted except on page 3, that #4 would be deleted and renumber 5 and 6. Also including the changes that are shown to what HSO is going to provide in the draft that is with the materials tonight.

Seconded by Philip. Vote: 5-0 (Two vacancies on the Board).

D. Revised MNOI draft - 01:05:38

Philip shared his screen to reflect the fillable version of the draft, since it was unable to be reflected in the agenda packet.

Some edits and suggestions were made to the document during the meeting.

The Chair opened up this item for public comment, in which none was received.

01:47:31 - The Vice Chair made a motion to approve the Landlord Worksheet/Petition for Rent Board Approved Increase using Fair Return Standard (MNOI Worksheet) as presented, with the minor changes discussed previously tonight. The Board is approving it subject to minor adjustments such as formatting.

Seconded by Ian McCracken. Vote: 5-0 (Two vacancies on the Board).

E. Proposal to delete "Tenant Complaint & Rent Increase Appeal Application" - 01:50:12

The Vice Chair had made hand-written changes to the original form posted on the Rent Board's website. However, based on previous discussion of this form during agenda item #C under New Business - this form has no particular use or purpose.

This would be for approval to delete this form from the list of Rent Board forms.

The Chair opened up this item for public comment, in which none was received.

01:51:33 - The Vice Chair made a motion to delete this as an operating form, seconded by Elias. Vote: 5-0 (Two vacancies on the Board).

01:52:08 - The Board returns to the decision form for 57 Walton Street.

Benjamin Plante, Esq., Counsel for the Rent Board has assisted with drafting the form.

Edits were made to the form.

02:12:57 - The Vice Chair made a motion to accept the decision as drafted including approving the findings as written and to authorize the Chair to sign the decision. Seconded by Philip. Vote: 5-0 (Two vacancies on the Board)

VII. Adjourn

02:16:26 - The Vice Chair made a motion to adjourn, seconded by Philip. Vote: 5-0 (Two vacancies on the Board).

Meeting end time: 7:19pm

Written Public Comment #1

Hello,

My name is Matt Walker. I live at 655 Congress St and I am a member of the Trelawny Tenants' Union.

These are general comments unrelated to any specific application on the agenda.

FIrst, I would encourage the board to review the policy and procedure for informing the tenants of an applicant about the meeting. It has come to my attention that the notice tenants receive is not adequate to inform them of what is going on. Specifically, they really look like a phishing attempt with a sketchy link. This causes people to be suspicious and uncomfortable opening the document which explains the situation. The entire message looks like

> Good afternoon
>
> Please see attached packet for tenants at the above address
>
> Thank you
> Katlyn

and then contains a link. This is not sufficient communication to the citizens by the city, and I believe it is a direct factor in why at about 95% of your meetings, the affected tenant is never present. In order to encourage participation and to instill confidence that the messages are legitimate, these letters must, at least, include

- A full signature block including the full name, title, and contact information of the city employee reaching out
- An explanation (in the body of the email, not in the attached document) of the type of rental increase the landlord seeks.
- An invitation (in the body of the email, not in the attached document) which explains that tenants are welcome to participate in the meeting and receive preferred and reserved time for public comment.
- The date and time of the meeting (in the body of the email, not in the attached document).
- The link to the Zoom meeting where the meeting will take place (in the body of the email, not in the attached document)

Written Public Comment #2
(304 Eastern Prom)

Dear Rent Board,

My name is Matt Walker. I live at 655 Congress St and I am a member of the Trelawny Tenants' Union.

This application does not meet the criteria to approve rent increases in addition to inflation based increases.

- The application does not demonstrate a loss in NOI that is unable to be recovered through the standard and allowed inflation based increases. From the submitted material

	2022	2021
Income	$147,021.41	$130,919.00
Expenses	$40,265.93	$37,220.16
NOI	$106,755.48	$93,698.84

Adjusted 2022 NOI	$111,986.50	$93,698.84

This indicates an increase in NOI of 13056.64 before even adjusting for inflation. After expenses, they made 13 thousand dollars more than they did in the previous year. There is no increased housing cost for which to award additional increases.

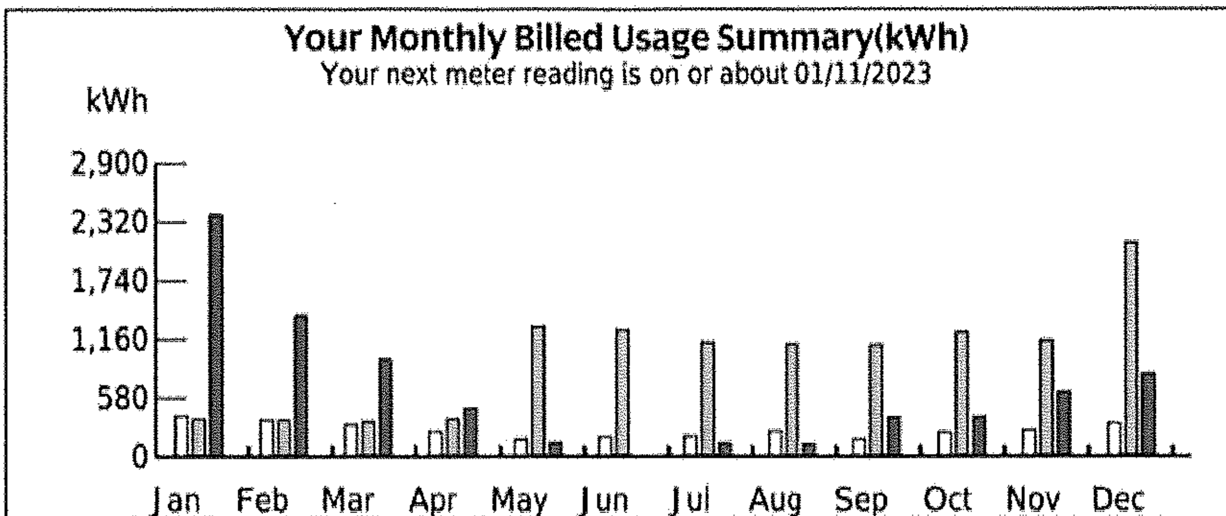
I also think that the application begs scrutiny, in terms of these receipts.

1. Where are the receipts for the administration and management expenses?

2. While the tax is not used in this process, because all taxes due to the revaluation were recoverable as TRRA in previous years, it is interesting to note that their numbers for the taxes are not correct.
    a. They are claiming that the 2022 property tax was $126,838.11 on this application to increase rents for 8 units. The tax they reported however, was for the entire 7 building complex.
    b. It's either a mistake or it's misleading the board. The tax for the entire complex is not attributable to only 8 of the 58 units.
        i. What other accounting errors did they make?
        ii. What other reported expenses, are attributable to the entire complex and not just these 8 units?
    c. I would suggest that the board reject this application and invite the applicant to return with corrected information, and every receipt

Written Public Comment #2

3. Again there is the issue of the electricity usage at the building. I am interested to hear what was going on at the property that increased the usage (not cost - usage in kWh) by up to x8. A screenshot of the final electric bill is provided for your comparison



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	80	43	34	15	5	0	4	4	12	13	23	25
2021	11	13	12	12	40	43	37	35	37	38	40	68
2020	13	13	10	8	5	7	7	8	6	8	8	11

Your Average Daily Billed Usage (kWh) *Estimated Reading

4. Turnover expenses should not be included because the ordinance already allows for a 5% increase based on turnovers.

5. The totals, after tabulating all the receipts, just do not add up to the expenses which are reported by the applicant. Just add 'em up and you'll see!! It is possible the discrepancy occurs due to missing admin receipts, however the accounting issues are particularly concerning, and the board should require the applicant to return once they've figured out their accounting issues.

In summary, I hope the board will use the MNOI methodology both because it is more correct, in that it considers income in addition to expenses. As you can see the property made more money in 2022 than it did in 2021, after considering expenses. If, however, the board decides to use the old methodology I hope that they scrutinize every single single receipt, as I have done, and will remove all of the costs which are already recovered through the various increases they've already been allowed to take.

Thank you,
Matt Walker

Written Public Comment # 3
(63 Grant St)

Dear Rent Board,

My name is Matt Walker. I live at 655 Congress St and I am a member of the Trelawny Tenants' Union.

This application does not meet the criteria to approve rent increases in addition to inflation based increases.

It does appear that Port Property sent this flood of applications before March 1st, in order to get around having to use the new MNOI methodology, however, nothing about the transition from the old language to the new language says that you must use one or the other.

Specifically "*For all landlord applications submitted prior to March 1, 2023, the rent board* ***may*** *continue to apply the previous version of this ordinance*". Bold emphasis added to the word may. You may do that, but it would be wrong. You may also choose to use the new ordinance language that closes the loophole the applicant is seeking to exploit. I hope that you use the MNOI method as it both considers increased costs and also increased income. To make an informed decision about the necessity of these rent increases, the board needs to compare both income and expenses.

- The application does not demonstrate a loss in NOI that is unable to be recovered through the standard and allowed inflation based increases. From the submitted material

	2022	2021
Income	$87,384.63	$81,503.00
Expenses	$23,803.25	$15,402.58
NOI	$63,581.38	$66,100.42

Adjusted 2022 NOI	$66,696.87	$66,100.42

a. This indicates a loss in NOI of 2519.04, which even I agree should be allowed to be recovered.
b. 2022 rents, however, are already subject to allowed CPI increases. When adjusted for inflation, at 4.9%, the 2022 NOI becomes $66,696.87.
c. Because the adjusted 2022 NOI of $66,696.87 is greater than the previous year's NOI of $66,100.42, no further increases are necessary.
d. If the board did award the application additional increase, the board would be approving two inflation based increases per expense, one at the automatic allowed 70% CPI as prescribed by the ordinance and a second at 100% CPI which the ordinance does not allow for.
    i. Even the old version of the ordinance says CPI increases at 100% are allowed, but not 100% and then another 70%

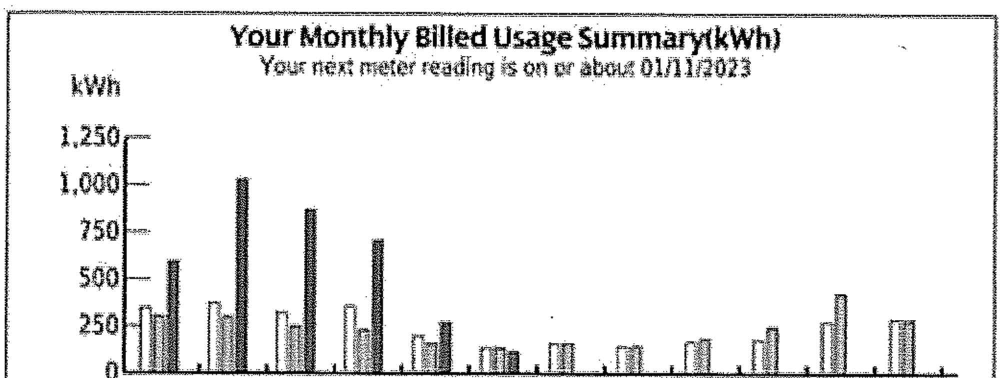
Written Public Comment #3

I also think this application begs a number of questions about specific line items in their expense report

1. Why did the administrative costs of running this building increase by 20%?
    - Increases in admin costs at inflation may make sense, but these admin costs increased by triple the inflation. How come?
    - No receipts were provided for any of these items. If MNOI is employed it really doesn't matter because the property already maintains its NOI, but if the board did decide to go an alternative route, these receipts are necessary to understand if these increases are legitimate and require remedy.

2. Most of the maintenance in 2022 is related to one off expenses which are unlikely to occur in every year, unless there is a major problem. Specifically it looks like washer and dryer repairs, as well as repairs to a broken heating and hot water system. Presumably a building would not have these costs every year, and (habitability issues aside) are not candidate expenses for a rental increase in perpetuity.

3. Presumably related to the issues with the boiler and heating systems, the CMP bills spiked at the beginning of 2022. This, however, was not due to increased rates and instead can be attributed to the x3 increase in kWh usage at the property. See the image below from the final CMP bill provided.
    - For what reason did the electricity usage in the common areas of the building spike like this?
    - Was it related to the problems with the heating system?
    - Following this spike, I noticed that the property began using an alternative electric company which appears to reduce the CMP bills to zero using solar offsets. Perhaps these spikes are somehow related to that?



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2022	20	32	31	23	10	6	0	0	0	0	0	0
2021	10	10	9	7	6	5	5	5	6	8	13	13
2020	11	12	11	11	7	5	5	5	5	6	8	10

Your Average Daily Billed Usage (kWh) *Estimated Reading

4. If one does go through and total all of the receipts, as I have done and hope the board would have done as well, the expenses in 2021 were $6,150.27 and for 2022 they were $10,230.81.
    - These numbers are very different from that reported on the cover sheets. How come? I am sure it has something to do with the missing admin receipts but that does not cover the complete difference.
    - In order to make an informed decision on this application, the board needs the complete set of receipts. Without them, the board should reject this application and invite the applicant to reapply with the correct documentation.

Written Public Comment #3

- Many of the receipts are for the previous year rather than the category they are put into. For example
    i. The first Unitil bill from 2021 is mostly for service in 2020
    ii. The first Unitil bill from 2022 is mostly for service in 2021
    iii. The first Yes Expense management bill from 2021 is all for service in 2020
    iv. The first Yes Expense management bill from 2022 is all for service in 2021
- The Yardi bill for 2022 does not have any detail about the breakdown per building, as was done for 2021. These should be included in the submission.

5. I think these statements also cause concern about the maintenance, janitorial, and safety conditions at the property as well as, generally, the bookkeeping procedures of PPM. Specifically I notice
    - No cost for trash removal (probably related to the pest control they have to now do)
    - No 2021 expenses for fire safety and insurance
    - Only $4.91 in janitorial/cleaning costs for 2021 (vacuum bags) and only $75 in 2022 (vacuuming and cleaning). The lack of routine property maintenance must certainly contribute to the rat problems.
    - Based on the nearly complete lack of spending on janitorial and grounds maintenance in 2021, as compared to 2022, I do expect that some 2021 expenses may have been "forgotten" to be included in this report in order to try and make the difference look as large as possible.

6. Turnover expenses should not be included because the ordinance already allows for a 5% increase based on turnovers.
    - In 2022, the turnover expenses totalled $1617.04 (however the receipts do not come to this total. At best I can find only $1347.03), presumably for unit 5.
        i. This represents $1172.03 in just painting, which seems excessive
            1. There was no money taken out of the previous tenant's security deposit?
        ii. Assuming their numbers are correct this is an increase of $969.98.
            1. The CSS site records unit 5 received a $59 new tenancy increase
            2. At $59 per month, the total $969.98 turnover is almost fully recovered after one year ($708) and is completely recovered after 16.4 months.
                a. Ideally, no further rental increases are needed to cover the turnover expense
                b. However, if the board thinks otherwise, the total increase in turnover costs must be reduced by $708

In summary, I hope the board will use the MNOI methodology both because it is more correct, and also more straightforward and will allow the board to get through all the applications much more quickly. If, however, the board decides to use the old methodology I hope that they scrutinize every single receipt, as I have done, and will remove all of the costs which are already recovered through the various increases they've already been allowed to take.

Thank you,
Matt Walker

Written Public Comment #4
(132 Marginal Way)

City of portland

Public Comment against rent increase app for The Linden

1 message

Erika Rachelle C. Montoya <ercmontoya@gmail.com>
To: rentboard@portlandmaine.gov
Tue, Mar 21, 2023 at 11:50 AM

Dear Rent Board,

I am submitting this public comment in opposition to West Bayside LLC's rent increase application for its property located at 132 Marginal Way, Portland, ME 04101 (known as "the Linden").

I have lived in this building since December 2020 and throughout the past few years Port Property has struggled to provide basic necessities to their tenants. Many of us have brought to management's attention multiple issues on multiple occasions - about the elevators not working, cockroach infestations, and broken HVAC heating/cooling - all to be met with a sense of non urgency from the team. Since I've moved in, management has changed hands at least twice, always with the promise of better care, better management - to little, to no improvement.

Communication with tenants has not been a priority for them, most of us tenants received the email of the 2000+ page application from the Housing Safety department on 3/8/23. Management did not address this to their tenants until 3/10/23. Even still, their explanation of the new water heaters to address our current concerns should be classified as maintenance repairs to provide tenants basic needs such as hot running water. I personally have submitted maintenance requests on our online tenant portal app regarding hot water, just to have the maintenance team cancel it on their end without it being addressed.

For these reasons, I respectfully ask that the Board deny Port Property's rental increase application. Such an increase would be unfair to lay the financial burden of Port's maintenance costs on its tenants, considering they have simply failed to provide continuous basic housing functions and services.

Thank you for your time and consideration,
Erika Montoya
132 Marginal Way Apt 246
Portland, ME 04101

Written Public Comment #5
(132 Marginal Way)

portland City of

Rent Increase

Simon Bourque <simondbourque03@gmail.com>
To: rentboard@portlandmaine.gov
Tue, Mar 21, 2023 at 9:15 AM

Hello, I am writing to discuss Port Property's request to raise our rent here at the Linden at 132 marginal way. We pay for heat and hot water per our lease agreement's terms. For at least six months, those lease terms were not met. There were many days when things as simple as washing our hands had to be done with cold water, which we know isn't as hygienic, and this is during flu season, which can cause issues, especially since I am immunocompromised. Port Property's recent installation of a new hot water heater is to MAINTAIN the systems needed to meet the terms of our lease; therefore, it should not be added as an additional expense for the tenants to bear. Port Property's profits have increased massively in the last couple of years, and this additional capital expenditure is a responsibility they need to accept due to their business expansion.
Especially whereas rent is as high as it is in Portland

Sincerely
Simon Bourque
132 marginal way, apt#237

Written Public Comment #6
(132 marginal way)

portland City of

Written Public Comment

1 message

Jessica Purser <jessicaannepurser@gmail.com> Mon, Mar 20, 2023 at 7:02 PM
To: rentboard@portlandmaine.gov

Good day,

I am writing in opposition to the proposed rent increase at Port Property's property at 132 Marginal Way.

I am no longer a resident but did reside at the complex from May 2021 through November 2022.

Their recent hot water boiler purchase is not a capital improvement that should be passed on to tenants. They are required to provide hot water to residents by Maine statute under the implied warranty of habitability and through their signed lease agreement with tenants.

If they were upgrading a functioning water boiler, that could be considered a capital improvement, but this is just maintenance.

Re: housing services. For most of 2021, the building was not fully occupied because it was under renovation. The overall $1.2 million increase in rental income now that the building is fully occupied should be sufficient to cover the increased costs in maintenance.

According to their own documents, they had $2 million in profit in 2022. What they are trying to pass onto tenants is equivalent to a 5% loss of their profit. Negligible to their bottom line. If the board approves the increase, it would not be a negligible increase to the average tenant's budget.

Thank you.

Jessica Purser
currently resides at:
20 Cutts Ave, #108
Saco, ME. 04072

formerly residing at:
132 Marginal Way, #221
Portland, ME, 04072

Written Public Comment #7
(132 marginal Way)

portland

Written Public Comment

1 message

Garrett Van Wie <gvanwie15@gmail.com> Tue, Mar 21, 2023 at 9:20 AM
To: rentboard@portlandmaine.gov, publiccomment@portlandmaine.gov

Dear Rent Board:

I am submitting this public comment in opposition to West Bayside LLC's rent increase application for its property located at 132 Marginal Way, Portland, ME 04101 (known as "the Linden"), for the following reasons.

First, the "capital improvement costs" that West Bayside LLC (referred to herein as "Port") cites in its application do not appear to be capital improvement costs, as defined by Portland's Permitting and Inspections Department. According to Portland's Capital Improvement Costs Allowance Form, "Capital Improvements are generally considered to be improvement that add material value to a home or property, prolongs its useful life, or adapts it to new uses." The Form additionally provides that, "[a]ccording to the Internal Revenue Service, costs of repairs and maintenance **NOT** considered capital improvements are those which . . . are necessary to keep a property in good condition but don't add to its value or prolong its life."

Port's rent increase application appears to be based on its recent purchase and installation of tankless water heaters to replace failing water heaters. However, those water heaters were necessary to provide hot water to tenants, as required by its residential leases and relevant law. See, e.g., Sec. 6-111(c) of the City of Portland Code of Ordinances, Buildings and Building Regs, Chapter 6. Tenants at the Linden have been without hot (let alone warm or lukewarm) water on numerous occasions since at least mid-November 2022. It was only in the past few weeks that Port finally installed new water heaters (I recommend that you request that Port provide the exact number of times they received a maintenance request from November through March about a lack of heat and/or hot water - the number will undoubtedly be in the hundreds). I fail to see how the replacement of water heaters - which was necessary for Port to meet its legal obligations - can be considered a capital improvement sufficient to support a rent increase application. Moreover, it would be unfair to allow Port to raise its rent as a result of the water heater costs when it has not even adequately supplied hot water to its tenants (or adequately compensated the affected tenants in the meantime). Despite the pervasive hot water issues, Port has continued to charge premium rent prices and deny requests for meaningful rent concessions or credits. (Recently, Port offered to a handful of vocal tenants a $65 credit *for a multi-month-long period of inadequate heat and hot water, including during the coldest weekend Maine has seen in many many years.*).

Second, Port's unwieldy, 2200+ page application has made it impossible for tenants to discern the support for the increased housing service costs it claims on page 27. It is unclear to me, for example, why between 2021 and 2022 the building's management fees increased by over $200K, cleaning fees increased by over $50K, and turnover expenses increased by over $102K.

Third, it would be unfair to allow Port to charge more rent on the basis of "increased housing services" when it has absimally failed to address numerous housing services issues for its tenants. For instance, Linden tenants have experienced chronic issues with inconsistent HVAC service; one apartment was at 130 degrees fahrenheit at one point and necessitated a visit from the fire department, and others have remained in the 50s during cold, winter days. Tenants have also suffered from bed bug and cockroach infestations, as evidenced throughout the 2200+ pages of Port's application. Additionally, despite serving 196 units, many of which are more than one-bedroom units that house a couple or more individuals, the Linden has only one elevator that has frequently broken down. There are five floors in the building (the lobby and then four residential floors above). At one point, the elevator was down for a full two weeks. This made it impossible for some of our physically disabled tenants to get to or from their apartments. It also made moving into the building - such as to the top floor on a 90+ degree day, as in some tenants' experiences - incredibly difficult. With all these issues, Port's response has been delayed, dismissive, and disingenuous. Port should not be allowed to charge more rent for issues such as these that it has barely addressed.

Fourth, Port's rent increase application (page 30) indicates that, while Port's operating expenses increased, so too did its net profit. More specifically, its net operating income increased from 2021 to 2022 by $800,000 (i.e., from $1.8 million to 2.6 million). Meanwhile, Portland has been in the midst of a housing crisis that has made it incredibly difficult for the average individual to find housing and has forced many individuals outside of the city because of untenable rent prices. Port, rather than its tenants, should bear the financial burden of the cost increases it cites, particularly in light of its conduct as a landlord (as briefly detailed above).

Written Public Comment #7

Finally, many current tenants at the Linden did not receive notice of the Rent Board's public hearing regarding Port's rent increase application for the Linden, and instead only found out about the hearing from other tenants. Many others who have less regular contact with their neighbors likely remain in the dark.

For these reasons, I respectfully ask that the Board deny Port's rental increase application. Put simply, Port has not properly supported its application for a rent increase, and it would be unfair to lay the financial burden of Port's maintenance costs on its tenants, particularly when the tenants have regularly been deprived of basic housing functions and services. Thank you for your time.

Sincerely,

Garrett Van Wie

132 Marginal Way (Apt 129)
Portland, ME 04101

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

Date of Hearing:

March 22, 2023

Owner Name and Address:

Seaforth Housing LLC, 601 California St, Ste 1150, San Francisco, CA 94111

Landlord's Representative and Address:

David M. Hirshon, Hirshon Law Group, P.C., PO BOX 124, Freeport, ME 04032

Property Address, Unit, and CBL:

389 Cumberland Ave (all 116 units) CBL: 036-I-037-001

Tenants/Interested Parties:

Yes

Type of Request:

	Renovation of a unit or Reconfiguration of one or more units (6-233(c))
X	**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))
X	**Fair Rate of Return (6-234(b)(5)(d))**

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

Date of Hearing:

March 22, 2023

Owner Name and Address:

Eastern Residential Inc., 82 Hanover Street, Portland, ME 04101

Landlord's Representative and Address:

Caleb Normandeau with Port Property, 82 Hanover Street, Portland, ME 04101

Property Address, Unit, and CBL:

16 Walnut Street, Units 1-8 & B (Legal Address is 304 Eastern Prom)
CBL: 015-B-001-002

Tenants/Interested Parties:

Yes

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))
X	**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:

March 22, 2023

Owner Name and Address:

Eastern Residential Inc., 82 Hanover St, Portland, ME 04101

Landlord's Representative and Address:

Caleb Normandeau with Port Property, 82 Hanover St, Portland, ME 04101

Property Address, Unit, and CBL:

25/27 Montreal Street, Units 1-8 (Legal Address is 304 Eastern Prom)

CBL: 015-B-001-002

Tenants/Interested Parties:

Yes

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))
X	**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:

March 22, 2023

Owner Name and Address:

Eastern Residential Inc., 82 Hanover St, Portland, ME 04101

Landlord's Representative and Address:

Caleb Normandeau with Port Property, 82 Hanover St, Portland, ME 04101

Property Address, Unit, and CBL:

304 Eastern Prom, Units 1-8

CBL: 015-B-001-002

Tenants/Interested Parties:

Yes

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))
X	**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:

March 22, 2023

Owner Name and Address:

Eastern Residential Inc., 82 Hanover St, Portland, ME 04101

Landlord's Representative and Address:

Caleb Normandeau with Port Property, 82 Hanover St, Portland, ME 04101

Property Address, Unit, and CBL:

13 Montreal St, Units 1-8 (Legal address is 304 Eastern Prom)

CBL: 015-B-001-002

Tenants/Interested Parties:

Yes

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))
X	**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:

March 22, 2023

Owner Name and Address:

Eastern Residential Inc., 82 Hanover St, Portland, ME 04101

Landlord's Representative and Address:

Caleb Normandeau with Port Property, 82 Hanover St, Portland, ME 04101

Property Address, Unit, and CBL:

19 Montreal St, Units 1-8 & B (Legal address is 304 Eastern Prom)

CBL: 015-B-001-002

Tenants/Interested Parties:

Yes

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))
X	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:

March 22, 2023

Owner Name and Address:

Eastern Residential Inc., 82 Hanover St, Portland, ME 04101

Landlord's Representative and Address:

Caleb Normandeau with Port Property, 82 Hanover St, Portland, ME 04101

Property Address, Unit, and CBL:

10 Walnut Street, Units 1-8 (Legal address is 304 Eastern Prom)

CBL: 015-B-001-002

Tenants/Interested Parties:

Yes

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))
X	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:

March 22, 2023

Owner Name and Address:

Grant Street Realty Group LLC, 82 Hanover St, Portland, ME 04101

Landlord's Representative and Address:

Caleb Normandeau with Port Property, 82 Hanover St, Portland, ME 04101

Property Address and Unit:

61 Grant Street, All 6 units (Legal address is 65 Grant St)

CBL: 048-B-016-001

Tenants/Interested Parties:

Yes

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))
X	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:

March 22, 2023

Owner Name and Address:

Grant Street Realty Group LLC, 82 Hanover St, Portland, ME 04101

Landlord's Representative and Address:

Caleb Normandeau with Port Property, 82 Hanover St, Portland, ME 04101

Property Address and Unit:

63 Grant Street, Units 1-6 (Legal address is 65 Grant St)

CBL: 048-B-016-001

Tenants/Interested Parties:

Yes

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))
X	Increased housing service costs (6-234(b)(5)(c))
	Fair Rate of Return (6-234(b)(5)(d))

<u>City of Portland – Housing Safety Division</u>
<u>LANDLORD APPLICATION FOR RENT INCREASE SUMMARY</u>

Date of Hearing:

March 22, 2023

Owner Name and Address:

Grant Street Realty Group LLC, 82 Hanover St, Portland, ME 04101

Landlord's Representative and Address:

Caleb Normandeau with Port Property, 82 Hanover St, Portland, ME 04101

Property Address and Unit:

65 Grant Street, Units 1-6

CBL: 048-B-016-001

Tenants/Interested Parties:

Yes

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))
X	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:

March 22, 2023

Owner Name and Address:

West Bayside Partners LLC, 82 Hanover St, Portland, ME 04101

Landlord's Representative and Address:

Caleb Normandeau with Port Property, 82 Hanover St, Portland, ME 04101

Property Address, Unit, and CBL:

132 Marginal Way, All 196 units

CBL: 442-A-001-001

Tenants/Interested Parties:

Yes

Type of Request:

	Renovation of a unit or Reconfiguration of one or more units (6-233(c))
X	Capital Improvement Costs, including financing costs (6-234(b)(5)(a))
	Uninsured repair costs (6-234(b)(5)(d))
X	Increased housing service costs (6-234(b)(5)(c))
	Fair Rate of Return (6-234(b)(5)(d))