

Remote Rent Board Meeting Minutes - Held Via Zoom

Wednesday, March 22, 2023

Start time: 5:03pm

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 - 00:00:57

A. February 22, 2023 Minutes

The Vice Chair had one amendment to Section VI “New Business”, Sub-section C “New Rent Increase Appeal” in the last sentence of the last paragraph - to remove the following:

“Also including the changes that are shown to what HSO is going to provide in the draft that is with the materials tonight”

00:03:32 - The Vice Chair made a motion to approve the minutes except as noted above. Seconded by the Chair. Vote: 5-0 (Two vacancies on the Board)

00:04:56 - The Chair advised the Board that he attended the City Council meeting on March 20th, the rules and MNOI form was adopted as written and those will be up on the City website shortly

00:05:55 - Elias brought up the discussion of expiring terms of Board members (himself and Ian) and status of new members being appointed

Per the Chair after discussion with the City Clerk’s office, no one has applied for the Rent Board.

IV. Communications - 00:08:20

A. Public Comments

Several written public comments were received for tonight’s meeting

V. Unfinished Business

There are no agenda items for this section

00:12:01 - The Chair states that he plans to ask for a motion for the Board to go into an Executive Session

00:12:54 - The Vice Chair makes a motion that the Board goes into Executive Session to receive advice from Counsel on interpretation of the ordinance. Seconded by Elias.

Benjamin Plante, Esq., Counsel for the Rent Board recommended that the motion be amended to make clear that the Executive Session the Board is entering into is pursuant to 1 M.R.S. 405(6)(e) and the Board is moving into Executive Session for consultations between the Board and its attorney concerning the legal rights and duties of the Board to interpret Sec 6-234(b) Rent Stabilization ordinance

The Vice Chair amends the motion as quoted above from Counsel. Seconded by Elias. Vote: 5-0 (Two vacancies on the Board).

00:15:40 - The Board has entered Executive Session

01:05:00 - Elias motioned to adjourn Executive Session, seconded by Philip. Vote: 5-0

01:05:25 - The Board has returned to the meeting

VI. New Business - 01:06:05

A. Rent Increase Application - Public Comment

Owner: Seaforth Housing LLC

Owner's Representative: David M. Hirshon, Hirshon Law Group, P.C.

Property Address: 389 Cumberland Ave, All 116 units

CBL: 036-I-037-001

Type of Increase: Capital Improvement Costs & Fair Rate of Return

The Chair advised the public that this application is being heard under the old ordinance due to the fact that it was submitted prior to March 1st and that the Rent Board's forms which are required to be approved by the City Council under the new ordinance, were not passed until March 20th.

No tenants spoke as objectors.

01:18:11 to 01:27:35 - Public Comment

1. Kendi Dykema, a current tenant, just received the mailing of the packet
2. Matt Walker, a member of the public who lives at 655 Congress St, addressed the concerns of notice to tenants and claimed there were illegal rent increases due to the "rent freeze"
3. Mackenzie Staropoli, a current tenant, also just received the mailing of the packet

01:41:54 - Philip made a motion to table the application for the next meeting due to not having met the notice requirements per statement of tenants and applicant and to allow time for proper notifications. Seconded by the Vice Chair. Vote: 5-0 (Two vacancies on the Board)

B. Rent Increase Application - Public Comment - 01:45:00

Owner: Eastern Residential Inc.

Owner's Representative: Caleb Normandeau with Port Property (David Bergeron)

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

One tenant, John Casco, had a bunch of questions about the material submitted

01:56:01 to 02:00:26 - Public Comment

1. Matt Walker, a member of the public who lives at 655 Congress St, addressed the excessive quantity of receipts provided in applications that tenants sent to him
2. Buddy Moore, a member of the public who lives at 95 Welch St, addressed the Board about how they should look at Increased Housing Service Costs that are beneficial to the tenant and/or offer a new service to the tenant

03:31:15 - The Vice Chair made the first motion that would apply to the first six applications, with the understanding that the Board will be going through building by building to flag any items there may be a concern about. Seconded by Elias. Vote: 5-0 (Two vacancies on the Board)

Please refer to Appendix A that summarizes all of the supplemental application materials that the Rent Board has requested from Port Property, prepared by Benjamin Plante, Esq., Counsel for the Board. This document was forwarded onto Port Property.

C. Rent Increase Application - Public Comment

Owner: Eastern Residential Inc.

Owner's Representative: Caleb Normandeau with Port Property (David Bergeron)

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

See motion in Agenda Item B, at time stamp of **03:31:15** for notes.

D. Rent Increase Application - Public Comment

Owner: Eastern Residential Inc.

Owner's Representative: Caleb Normandeau with Port Property (David Bergeron)

Property Address: 304 Eastern Prom, Units 1-8

CBL: 015-B-001-002

Type of Increase: Increased Housing Service Costs

See motion in Agenda Item B, at time stamp of **03:31:15** for notes.

E. Rent Increase Application - Public Comment

Owner: Eastern Residential Inc.

Owner's Representative: Caleb Normandeau with Port Property (David Bergeron)

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

See motion in Agenda Item B, at time stamp of **03:31:15** for notes.

F. Rent Increase Application - Public Comment

Owner: Eastern Residential Inc.

Owner's Representative: Caleb Normandeau with Port Property (David Bergeron)

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

See motion in Agenda Item B, at time stamp of **03:31:15** for notes.

G. Rent Increase Application - Public Comment

Owner: Eastern Residential Inc.

Owner's Representative: Caleb Normandeau with Port Property (David Bergeron)

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

See motion in Agenda Item B, at time stamp of **03:31:15** for notes.

H. Rent Increase Application - Public Comment

Owner: Grant Street Realty Group LLC

Owner's Representative: Caleb Normandeau with Port Property (David Bergeron)

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

There was a mix-up of applications for this item. Tenants were notified for 61 Grant Street, however, the application for 67-69 Grant Street was uploaded to the Board instead. The Board discussed additional items needed only on 67-69 Grant Street.

04:01:22 - The Vice Chair made a second motion to table the 3 applications for Grant Street to the next meeting for consideration. Seconded by Philip. Vote: 5-0 (Two vacancies on the Board)

Please refer to Appendix A that summarizes all of the supplemental application materials that the Rent Board has requested from Port Property, prepared by Benjamin Plante, Esq., Counsel for the Board. This document was forwarded onto Port Property.

I. Rent Increase Application - Public Comment

Owner: Grant Street Realty Group LLC

Owner's Representative: Caleb Normandeau with Port Property (David Bergeron)

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

See motion in Agenda Item H, at time stamp of **04:01:22** for notes.

J. Rent Increase Application - Public Comment

Owner: Grant Street Realty Group LLC

Owner's Representative: Caleb Normandeau with Port Property (David Bergeron)

Property Address: 65 Grant St, Units 1-6

CBL: 048-B-016-001

Type of Increase: Increased Housing Service Costs

See motion in Agenda Item H, at time stamp of **04:01:22** for notes.

K. Rent Increase Application - Public Comment

Owner: West Bayside Partners LLC

Owner's Representative: Caleb Normandeau with Port Property (David Bergeron)

Property Address: 132 Marginal Way, All 196 Units

CBL: 442-A-001-001

Type of Increase: Capital Improvement Costs & Increased Housing Service Costs

04:06:08 - The Vice Chair makes a third motion to table the application for 132 Marginal Way to the next meeting and that the applicant provides the additional information requested by the Board. Seconded by Philip. Vote: 5-0 (Two vacancies on the Board)

04:09:59 - The Vice Chair made an additional motion to postpone the application for Capital Improvement Costs (two separate rent increase requests were submitted for the same property). Seconded by Elias. Vote: 5-0 (Two vacancies on the Board)

Please refer to Appendix A that summarizes all of the supplemental application materials that the Rent Board has requested from Port Property, prepared by Benjamin Plante, Esq., Counsel for the Board. This document was forwarded onto Port Property.

VII. Adjourn

04:20:56 - Elias motioned to adjourn the meeting, seconded by the Vice Chair. Vote: 5-0 (Two vacancies on the Board)

Meeting end time: 9:25pm

Rent Board Guidance Regarding Port Property Rent Increase Applications from March 22, 2023 Rent Board Meeting

I. General Guidance

The Rent Board would like Port Property to:

- (1) Reorganize each rent increase application so that invoices are organized and filed under separate tabs. Each tab should correspond to a different category of “housing service” costs. For instance, any invoices that are properly categorized as “Management fees” would be filed under a tab labelled “Management Fees,” and so on.
- (2) Provide evidence regarding the lease terms that exist between the landlord and the tenants in each of the buildings for which the applicant is seeking a rent increase. The applicant can provide existing leases, a lease that is representative of the terms that currently exist between the landlord and its tenants, and/or advertisements for units that were leased to tenants.

Below these application requirements are referred to as the “General Guidance.”

II. MacArthur Gardens

- Guidance that Applies to All McArthur Gardens Applications: The Applicant must include updated information allocating proportionate insurance costs to different buildings located within the McArthur Garden Complex (hereinafter referred to as “Updated Insurance Information”)

Below, under the street address for each building, the Board provides a list of the information that must be provided with each rent increase application.

- 16 Walnut Street
 - Include General Guidance
 - Include Updated Insurance Information
- 25/27 Montreal
 - Include General Guidance
 - Include Updated Insurance Information
 - Explain why \$7,900 cost for two water heaters should be considered a housing services costs, rather than a capital improvement cost. The Board is willing to allow the applicant to reclassify this as a capital improvement cost.
- 304 Eastern Promenade (Units 1-8)
 - Include General Guidance
 - Include Updated Insurance Information

Appendix A

- Further explanation of the maintenance and repair expenses in the application. The applicant should explain which of these expenses were turnover related, and which were related to addressing general wear and tear of the building and units.
- 13 Montreal Street
 - Include General Guidance
 - Include Updated Insurance Information
 - Explain the management expenses that were included as a part of the application.
- 19 Montreal
 - Include General Guidance
 - Include Updated Insurance Information
- 10 Walnut Street
 - Include General Guidance.
 - Include Updated Insurance Information
 - Insurance needs to be reallocated, or at the very least the applicant must explain why there is a \$15,000 insurance cost increase from 2021 to 2022.
 - Applicant needs to explain why \$11,000 snow plowing cost is fully allocated to this building.

III. Grant Street Buildings

- Guidance that Applies to All McArthur Street Properties: Applicant must provide further information regarding all types of housing services costs that fall under the category of “Other” on the City’s housing services costs worksheet (hereinafter referred to as “Other Housing Services Costs”).

Below, under the street address for each building, the Board provides a list of the information that must be provided with each rent increase application.

- 63 Grant Street
 - Include General Guidance
 - Include Other Housing Services Costs
 - The application appears to provide for maintenance costs that do not equal up to total of the invoices/receipts that were included with the application. This should be further explained.
- 65 Grant Street
 - Include General Guidance
 - Include Other Housing Services Costs
- 69 Grant Street
 - Include General Guidance
 - Include Other Housing Services Costs

IV. 132 Marginal Way

Below, under the street address for each building, the Board provides a list of the information that must be provided with each rent increase application.

- 132 Marginal Way
 - Include General Guidance
 - Capital Costs regarding parts that should be updated.
 - Applicant should provide an overview explaining whether the 132 Marginal Way building was fully occupied in 2021 and 2022.
 - Applicant should provide a breakdown between residential and non-residential costs associated with the building.
 - Applicant should provide more information regarding insurance costs that increased from 2021 to 2022.
 - Applicant should provide more detail and information regarding security and costs associated with providing security for the building.
 - Applicant needs to explain why there was a \$51,000 change in cleaning costs for the 132 Marginal Way Building.
 - The Board would like the Applicant to reorganize both aspects of the application.

This list was compiled by counsel from statements made during the meeting on March 22, 2023, and contains specific requests made by the Board during the meeting after summary review. This list doesn't preclude the Board from discussing other aspects of the proposed increases, whether or not raised by subsequent tenant and/or public comment.