RENT BOARD
December 27, 2023
5:00 PM

ZOOM INFORMATION:

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

II. ROLL CALL:

III. APPROVAL OF MINUTES

a. November 29, 2023 Minutes

b. December 13, 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. The subject line needs to read "Written Public Comment"

a. Dissenting Report

V. New Business

a. Rent Increase Application - Public Comment
Owner: Michelle Dunham, 55 Sherman St Apt 1, Portland, ME 04101
Address: 55 Sherman St, units 2-7
CBL: 048-D-022-001

VI. UNFINISHED BUSINESS:

a. Rent Increase Application - Public Comment
Owner: Forty Nine LLC, 82 Hanover St, Portland, ME 04101
Agent: David Bergeron with Port Property, 82 Hanover St, Portland, ME 04101
Address: 19 Parris St, Units 1-9
CBL: 033-I-005-001

b. Rent Increase Application - Public Comment
Owner: Spar Inc, 82 Hanover St, Portland, ME 04101
Agent: David Bergeron with Port Property, 82 Hanover St, Portland, ME 04101
Address: 20 Melbourne St, all 7 units (Legal address is 18 Melbourne St)
CBL: 014-G-014-001

c. Rent Increase Application - Public Comment
Owner: West Street Partners LLC, 82 Hanover St, Portland, ME 04101
Agent: David Bergeron with Port Property, 82 Hanover St, Portland, ME 04101
Address: 40-42 West St, all 12 units (Legal address is 40 West St)
CBL: 063-H-004-001

d. Rent Increase Application - Public Comment
Owner: West Company, 82 Hanover St, Portland, ME 04101
Agent: David Bergeron with Port Property, 82 Hanover St, Portland, ME 04101
Address: 55 William St, all 12 units
CBL: 116-A-025-001

e. Rent Increase Application - Public Comment
Owner: West Company, 82 Hanover St, Portland, ME 04101
Agent: David Bergeron with Port Property, 82 Hanover St, Portland, ME 04101
Address: 60 Carleton St, all 4 units
CBL: 063-D-013-001

f. Approval of Written Findings of Fact and Conclusions of Law for the Rent Board's November 29, 2023 Decisions

VII. Adjourn

Remote Rent Board Meeting Minutes - Held Via Zoom

November 29, 2023

II. Roll Call - 0:00:16

Elliott Simpson, Tenant, At-Large - Chair (absent at time of roll call)
Barbara Vestal, Landlord, At-Large
Vacant, District 1
Matthew Walker, Tenant, District 2
Vacant, District 3
Antwane Mills, Tenant, District 4
Philip Mathieu, Tenant, District 5 - Vice Chair

Staff present:
Dylan Orr, Rental Registration Coordinator
Zachary Lenhert Licensing & Housing Safety Manager
Benjamin Plante, Esq., Counsel for the Rent Board

III. Approval of Minutes - 0:00:48

a. **October 25, 2023 Minutes**

0:01:06 - Barbara Vestal moves to approve minutes as written. Seconded by Matthew Walker. (4-0, Simpson absent)

IV. Communications - 0:01:39

a. **Written Public Comment** - 0:01:42
b. **Request to Schedule Appeal Hearing** - see 0:34:58

V. Unfinished Business

0:11:37 - In lieu of The Chair's absence the Board decides to address item V.k., the Annual Report Update and Draft Review, first. The Vice Chair shares his screen of the most recent draft of the Annual Report.

0:24:05 - Elliott Simpson joins the meeting.

0:32:45 - Philip Mathieu motions to approve the report as presented pending the addition of the total numbers from HSO, adding the mean in between median rent and the mean increase, correcting figure eleven and making format changes as necessary. Seconded by Matthew Walker. (5-0)

0:34:58 - The Board resumes discussion on item IV.b.

0:50:03 - Barbara Vestal motions to schedule appeal hearing on December 13, 2023 and regular December meeting for December 27, 2023. Seconded by Philip Mathieu. (5-0)

0:58:06 - Barbara Vestal motions that Matthew Walker be recused from participating in the Port Property as part of the Board due to the appearance of a conflict of interest. Seconded by Elliott Simpson. (4-0)

a. **Rent Increase Application - Public Comment** - 1:01:34
   Owner: Eastern Residential Inc
   Agent: David Bergeron with Port Property
   Address: 13 Montreal St, Units 1-8
   CBL: 015-B-001-002

1:14:08 - Barbara Vestal moves to table items a-g in Unfinished Business. Seconded by Elliott Smith. (4-0, Walker recused)

b. **Rent Increase Application - Public Comment** - See 1:14:08
   Owner: Eastern Residential Inc
   Agent: David Bergeron with Port Property
   Address: 19 Montreal St, Units 1-8 & B
   CBL: 015-B-001-002

c. **Rent Increase Application - Public Comment** - See 1:14:08
   Owner: Eastern Residential Inc
   Agent: David Bergeron with Port Property
   Address: 25-27 Montreal St, Units 1-8
   CBL: 015-B-001-002

d. **Rent Increase Application - Public Comment** - See 1:14:08
   Owner: Eastern Residential Inc
   Agent: David Bergeron with Port Property
   Address: 304 Eastern Prom, Units 1-8
   CBL: 015-B-001-002

e. **Rent Increase Application - Public Comment** - See 1:14:08
   Owner: Grant Street Realty Group LLC
   Agent: David Bergeron with Port Property
   Address: 63 Grant St, Units 1-6
   CBL: 048-B-016-001

f. **Rent Increase Application - Public Comment** - See 1:14:08
   Owner: Grant Street Realty Group LLC
   Agent: David Bergeron with Port Property
   Address: 65 Grant St, Units 1-6
   CBL: 048-B-016-001

g. **Rent Increase Application - Public Comment** - See 1:14:08
   Owner: Grant Street Realty Group LLC
   Agent: David Bergeron with Port Property
   Address: 69 Grant St, Units 1-6
   CBL: 048-B-015-001

h. **Rent Increase Application - Public Comment** - 1:18:46
Owner: Grant Street Realty Group LLC
Agent: David Bergeron with Port Property
Address: 61 Grant St, Units 1-6 (Legal is 65 Grant St)
CBL: 048-E-016-001

1:40:42 - Martin Lodish speaks as a tenant of the property.

1:45:25 - Public comment received from Matthew Walker.

1:49:19 - Public comment received from Joey Brunelle.

1:53:29 through 1:57:22 - Responses to comments.

2:19:19 - Philip Mathieu motions to approve the application for increased housing services costs in the amount of $80.82 per month. Seconded by Barbara Vestal. (4-0, Walker recused)

i. **Rent Increase Application - Public Comment** - 2:32:41
Owner: Shepley LLC
Agent: David Bergeron with Port Property
Address: 18 Casco St, all 62 units
CBL: 037-C-006-001

No tenants spoke as objectors.

2:33:45 - Public comment received from Matthew Walker.

2:36:04 - Public comment received from Martin Lodish.

2:38:00 - Public comment received from Vivienda Apoyo.

2:40:00 through 2:40:37 - Response to comments.

3:02:40 - Barbara Vestal motions to approve the request for an increase in rent of $40.80 per month per unit due to increased housing service costs. Seconded by Philip Mathieu. (4-0, Walker recused)

j. **Rent Increase Application - Public Comment** - 3:05:08
Owner: Ambassador LLC
Agent: David Bergeron with Port Property
Address: 37 Casco St, all 92 units
CBL: 037-D-007-001

No tenants spoke as objectors.

3:06:16 - Public comment received from Matthew Walker.

3:35:15 - Barbara Vestal motions to approve a rent increase on the basis of increased housing service costs in the amount of $40.49 per month. Seconded by Philip Mathieu. (4-0, Walker recused)

k. **Annual Report Update and Draft Review** - See 0:11:37

VI. New Business - 3:36:50

a. **Rent Increase Application - Public Comment** - 3:38:44
   Owner: BJB Realty LLC
   Agent: BJB Realty LLC
   Address: 231 State St
   CBL: 046-A-010-001

3:41:52 - Vivienda Apoyo speaks as a tenant of the property.

3:51:23 through 3:52:03 - Response from BJB Realty

4:16:17 - Philip Mathieu motions to table the application directing the applicant to correct calculations for CPI, provide additional documentation and receipts, and clarify if any records from 2019 can be used. Seconded by Elliott Simpson. (5-0)

b. **Schedule December Meeting** - See 0:50:03
c. **Discussion of MNOI Updates** - 4:22:26

4:22:26 - Barbara Vestal motions to have the Board move into Executive Session. Seconded by Elliott Simpson. (5-0)

4:23:33 through 4:49:22 - The Board moves to Executive Session.

VII. Adjourn

4:51:43 - Barbara Vestal motions to adjourn. Seconded by Elliott Simpson. (5-0)

<u>Remote Rent Board Meeting Minutes - Held Via Zoom</u>

December 13, 2023

II. Roll Call - 0:00:55

Elliott Simpson, Tenant, At-Large - Chair
Barbara Vestal, Landlord, At-Large
Vacant, District 1
Matthew Walker, Tenant, District 2 (absent)
Vacant, District 3
Antwane Mills, Tenant, District 4 (absent)
Philip Mathieu, Tenant, District 5 - Vice Chair

<u>Staff present:</u>
Dylan Orr, Rental Registration Coordinator
Benjamin Plante, Esq., Counsel for the Rent Board

III. Communications

No public comment received.

IV. New Business - 0:02:03

a. **Rent Increase Appeal - Public Comment**
   Appellant: Scott D. Gallant
   Representative: Trelawny Tenants Union
   Owner: 59 State Street LLC
   Address: 59 State St Apt 24-25
   CBL: 044-B-047-001

Tabled at the request of the appellant.

V. Unfinished Business - 10:20

a. **Approval of Written Findings of Fact and Conclusions of Law for the Rent Board's November 29, 2023 Decisions**

Tabled due to lack of quorum.

b. **Discussion of MNOI Updates** - 10:57

VII. Adjourn

42:30 - Barbara Vestal motions to adjourn. Seconded by Philip Mathieu. (3-0, Mills and Walker absent)

Matt Walker - 655 Congress - Trelawny Tenants' Union - D2 Rent Board Member

Introduction:

B Vitalius (Rental Housing Alliance of Southern Maine) - ***"The rent board is an unmitigated disaster"*** (27:15)
https://reflect-pmc-me.cablecast.tv/CablecastPublicSite/show/17579?site=1

Before the board are dozens of applications to be treated under the old ordinance before MNOI was the method for determining board approved rent increases. Under the old rules, rent increases can be allowed for a variety of reasons, which are/were…
S 6-234 b

1) Annual Increase Percentage	This is the increase in CPI, known as inflation
2) Tax Rate Rent Adjustment	Due to changes in Portland's mil rate
3) New Tenancy	A bonus 5% increase on turnovers (once per yr max)
4) Banked Rent	Any allowable rent increase from previous years which, for whatever reason, was not taken by the landlord at that time may be used in future years
5) Additional Rent Board Approved Increases	The non-automatic increases which must be approved by the rent board. These come in four sub-categories

a) Capital Improvement Costs	Major improvements or maintenance of a property to increase its value or prolong its use
b) Uninsured Repair Costs	Repairs not covered by insurance
c) Increased Housing Service Costs	**The subject of these applications; details follow**
d) Any additional increase to allow a fair rate of return	When cost increases outpace other allowable rent increases and eat into an owners rate of return

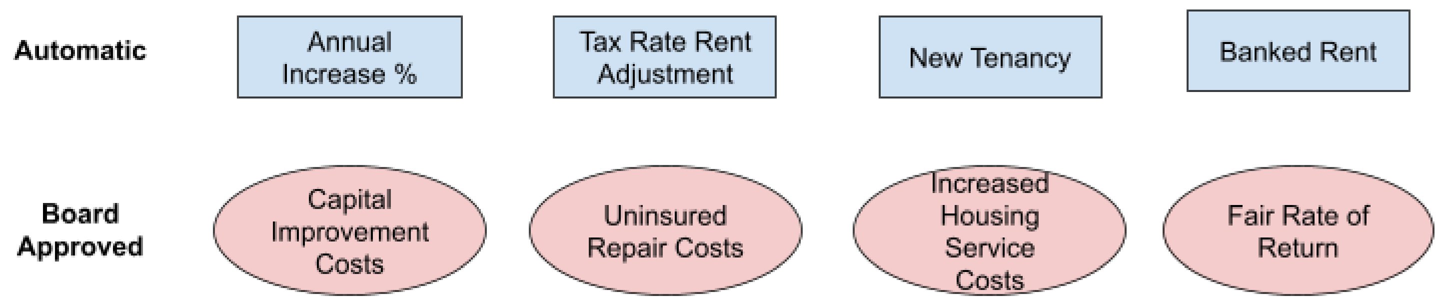
A screenshot of the specific legal text is provided at the end of this document as **Appendix A**.

As indicated, the subject of this objection is the applications which are using S 6-234 b. 5. c. Increased Housing Service Costs.

A reasonable interpretation of this ordinance would be that all of the items for which increases are allowed are distinct from one another. That is, no single event, cost, or repair would warrant an increase in multiple categories. The point of the multiple categories is to make sure that as many circumstances as possible can fit into a bin.

For example, if a flood caused damage to a structure and insurance denied the claim the applicant could apply for rent increases to cover the Uninsured Repair Costs, however they could not use the same repair costs to increase rent twice, first from an Uninsured Repair application and again with a Capital Improvement application. Again, no single event, repair, or cost can warrant a rent increase more than once under different categories. A single category is used to recover the costs associated with such an event. It would be unreasonable to interpret these categories as expecting that multiple rent increases for single events as the intent or the letter of the law.

Graphically the array of possible rent increases looks like this



As the subject of this objection to the applications concerns “Increased Housing Service Costs”, we must first determine what circumstances this category aims to serve. Since this can not be intended to allow a recovery of costs which are applicable to the other categories, and it must be distinct from the others, this means an Increased Housing Service Cost application can not seek to recover costs due to inflation, changes to the mil rate, new tenant bonus (not a cost associated with it anyway), banked rent (these also are not costs), capital improvement costs, uninsured repair costs, or a fair rate of return.

With the other categories already distinct, this means Increased Housing Service Costs must relate specifically and distinctly to increased housing service costs. It must not relate to increased costs of current housing services, as this is already recovered by the Annual Increase Percentage based on inflation. So then this leaves a very distinct bin for this category's usefulness, and I will write it out again even though it does seem silly to have to say it over and over. This is for increased housing service costs, there must be some increased housing service that has a cost which needs to be recovered. These may be new amenities added, such as a gym, laundry room, or a pool which may incur regular costs due to that increased housing service. Or perhaps, as in the case of two of the applications, security was hired to protect the building. These represent increased housing services which do incur new regular and ongoing costs that need to be recovered. As discussed in the often referenced SMLA case, a housing service must be indicated in the lease agreement.

Hypothetical Scenario A:
A property owner or manager finds that the costs of running their property have increased. Generally pacing the rate of inflation, the costs of materials, maintenance, and labor have increased. To recover those inflationaly cost increases the appropriate method of recovery is the automatic Annual Increase Percentage.

Since there is already a category to handle the recovery of these costs, this is not a scenario for an Increased Housing Service Cost application.

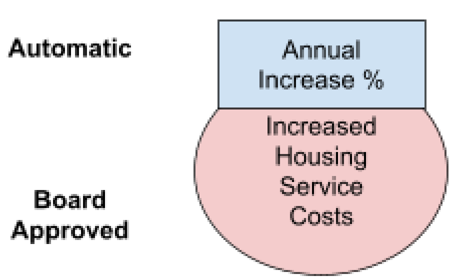
Hypothetical Scenario B:
A property owner installs a pool at the rental property for the tenants’ use. The installation of that pool is a legitimate reason to submit a Capital Improvement Cost application. However, the new pool will require regular cleaning, maintenance, supplies, and other forms of monitoring. This regular maintenance will incur costs into the future, in addition to the costs of that pool’s installation. That is, there are new costs associated with the increased housing service. To recover these new regular costs, the appropriate method of recovery is the Increased Housing Service Costs application to the board. There is no other category for which this scenario could recover those costs. This is distinct and specific to the scenario, and the reason the category exists.

The Applications:

Starting in March 2023 the board began reviewing Increased Housing Service Cost applications from Port Property Management representing the owners of many properties. The ones which have appeared as agenda items are:

Property	Owner
10 Walnut St	Eastern Residential Inc
13 Montreal St	Eastern Residential Inc
16 Walnut St	Eastern Residential Inc
19 Montreal St	Eastern Residential Inc
25/27 Montreal St	Eastern Residential Inc
304 Eastern Prom	Eastern Residential Inc
63 Grant St	Grant St Realty Group LLC
65 Grant St	Grant St Realty Group LLC
67/69 Grant St	Grant St Realty Group LLC
61 Grant St	Grant St Realty Group LLC
132 Marginal Way	West Bayside Partners LLC
18 Casco St	Shepley LLC
37 Casco St	Ambassador LLC
19 Paris St	Forty Nine LLC
20 Melbourne St	Spar Inc
40/42 West St	West Street Partners LLC
46 Market St	Market Milk Partners LLC
55 William St	West Company
60 Carlton St	West Company

For these applications, the owner is seeking to increase the rent based on Increased Housing Service Costs. The representative of these property owners has made it clear that there are no Increased Housing Services here, that they have had increased costs of housing services, and that it is their interpretation of the ordinance that this is sufficient to justify a board approved rent increase under the law.



Graphically, the applicant is interpreting the relevant array of possible rent increases to look like the image to the left. They interpret the ordinance as allowing for two distinct increase mechanisms to overlap in such a way that a single cost can be recovered multiple times. This is clearly an unreasonable interpretation.

The increases in costs are related to items such as utilities, turnover costs, snowplowing, and other typical costs one may associate with a rental business. As demonstrated in the applicant's financial balance sheets, most of these costs have paced inflation as expected. Increased costs are expected in the ordinance and are provided a mechanism to recover those costs in the Annual Percentage Increase.

There are, in fact, two items that do stand out as legitimate Increased Housing Service Costs. Specifically, at 18 Casco St and 37 Casco St security services were hired for the buildings. This came at a cost of $6985 and $7029.40 in each building respectively. As these services were not offered in 2021 and were subsequently offered in 2022, the increased service did incur a cost which can legitimately be recovered. As discussed in the SMLA case in order to be considered a housing service it must be part of the lease agreement. The sample lease provided, however, does not seem to indicate this housing service as an ongoing service that the parties have agreed to.

One item in particular stands out as unusual however, Management Fees. These costs have increased at a much higher rate than inflation has, and they make up a significant portion of the "costs" that the applicant is seeking to raise rent for. A management fee that paces inflation makes sense, and would be accounted for by the ordinance in the Annual Increase Percentage, but one that far exceeds this demands scrutiny.

Management Fees

If we ignore, for a moment, that normal inflation is not a reason to use the Increased Housing Service Cost application we can dig into one particular unusual cost that has increased at these properties. This is Management Fees, which can be thought of as the overhead that Port Property Management charges an owner to run their rentals.

The applicant did prepare a table of these increases for some of the properties, which is depicted below.

Property	2021 Total Mgmt. Fees	2022 Total Mgmt. Fees	Increase
13 Montreal	$13,940.25	$17,962.36	28.85%
19 Montreal	$15,094.16	$18,832.97	24.77%
25-27 Montreal Street	$14,615.26	$18,512.14	26.66%
304 Eastern Promenade	$14,008.38	$18,377.74	31.19%
61 Grant Street	$8,670.63	$10,983.22	26.67%
63 Grant Street	$8,720.92	$10,923.20	25.25%
65 Grant Street	$11,521.16	$14,290.45	24.04%
69 Grant Street	$10,285.32	$12,783.19	24.29%
18 Casco Street	$95,734.04	$111,085.48	16.04%
37 Casco Street	$150,737.37	$153,145.14	1.60%
19 Parris Street	$14,759.71	$18,529.58	25.54%
20 Melbourne Street	$14,024.93	$18,069.28	28.84%
40/42 West Street	$8,254.71	$10,200.94	23.58%
55 William Street	$19,990.94	$24,310.24	21.61%
60 Carleton Street	$8,836.18	$9,890.77	11.93%

As can be seen, these management fee increases vary from property to property and, with the exception of 37 Casco, are typically somewhere around 20% increases or more. At a time when inflation was at most 7%, for this specific cost to increase by more than three times the rate of inflation is quite concerning. So we must ask what these increased management fees were for, and how those expenses are related to Increased Housing Services.

The board did rightfully ask the applicant to explain these property management fees, however the applicant did not give the detail that they indicated they would. We do not know what specifically was done to incur these costs. Instead the applicant presented the information depicted to the right.

- The premium is known as the property management fee, and this represents the "margin" of the management company.
  - "Margin" is not necessarily synonymous with total profit.
  - This margin is simply the amount by which revenue exceeds expenses. It may be used to cover special items, invest in growth, capital expenditures, etc. or potentially distributed to ownership.

There may be a case in which capital expenditures do constitute a housing service and possibly even an increased housing service. There is a particular type of application for capital expenses which this applicant has often used and been approved for at the rent board. Therefore, these increases in property management fees are likely unrelated to capital improvements, though if they are the applicant could make that case.

It should be obvious to any reader that undisclosed "special items", investment in growth, and distributions to ownership absolutely do not constitute a housing service, nevermind an increased housing service. There is no reasonable justification to allow rent increases based on 20% or more increases in management fees which are for investment in growth or distributed to ownership. This is an obvious attempt to increase rent above rent control with no benefit to the tenant.

When we look more specifically at the ownership structure of these properties, this becomes even more clear. Corporate documents are available at the Maine Secretary of State. I personally paid for these at $3 a pop. Specifically I present the 2023 Annual Filing reports.

First we look specifically at the ownership of Port Property Management.

Company Name	**Owner(s)**	**Appendix**
Port Property Management	Thomas E Wason	B

And next, we examine the ownership of the properties in question which appear in PPM's table above.

Company Name	**Owner(s)**	**Appendix**
Eastern Residential Inc	John R Watson 2002 Family Trust Thomas E Watson Watson 2002 Family Trust	C
Grant Street Realty Group LLC	Thomas E Watson	D
Shepley LLC	Thomas E Watson Brian Bush	E
Ambassador LLC	Thomas E Watson	F
Forty Nine LLC	Thomas E Watson	G
Spar Inc	John C Watson Thomas E Watson John R Watson 2002 Family Trust Jacqueline L Pierce	H
West Street Partners LLC	Thomas E Watson	I
Market Milk Partners LLC	Thomas E Watson	J

West Company	Thomas E Watson John R Watson Jacqueline L Pierce Russell J Pierce	K

A diligent reviewer will notice that the owner of Port Property Management, Thomas E Watson, just happens to also be the/an owner of all these properties as well.

In reasonable circumstances, a property owner would not have much of a say in what a third party vendor charges them or what increases to those charges occur. The property owner, however, does have the ability to fire that vendor and go with another service provider in the event that the charges become unreasonable or that the value decreases.

In this case, however, Mr. Watson is both the owner of the property as well as the owner of the third party vendor which charges management fees. There is little chance that Mr. Watson is going to fire one of his companies for charging another one of his companies too much, especially if he can just increase rent for it. <u>In effect, he has one company increasing the costs on his other companies. He then uses those self imposed cost increases in an attempt to justify rent increases.</u> While it may be the case that Port Property did need to increase their management fee to cover increased costs, none of this is demonstrated in any application.

Perhaps more FTEs were assigned to each building, but that case was not made. I can think of many reasons why this may need to happen. There are a multitude of possibilities, however, the only reason we are given to understand why the management fee was increased by such a large amount was that,

- For PPM, 2021 and 2022 suffered from under-budgeting as a result of pandemic related inflation.

Again, they describe their costs as being related to inflation which, as we know, is already accounted for in the Annual Increase Percentage. They do not describe how the increased management fees will go toward housing services of any kind, and instead say (which I repeat again) that the management fees go toward things like investing in growth and distributions to ownership.

- The premium is known as the property management fee, and this represents the "margin" of the management company.
  - "Margin" is not necessarily synonymous with total profit.
  - This margin is simply the amount by which revenue exceeds expenses. It may be used to cover special items, invest in growth, capital expenditures, etc. or potentially distributed to ownership.

If, for some wild reason, the board does think that investing in growth and cashing out to owners is a legitimate Housing Service, then the board must consider limits in terms of documentation as well as cost caps.

As is, none of these costs are documented, and are just as likely than anything else to be extra money intended to be collected as increased rent which is then distributed to Thomas E Watson as the owner of Port Property Management, as described by Port Property representatives. <u>The board must require documentation to ensure that any costs here are actually reflective of some type of Housing Service, and not just some attempt to break rent control to make more money for future business endeavors or for personal profits of ownership</u>.

It is helpful to consider a hypothetical scenario in comparison to these applications, when we consider the limits that the board would have on these types of applications.

Hypothetical Scenario C:
A property owner is also the property manager at some property. One year, they increase the property management fee, and this results in an increased cost to all of their units by $500 per month. This is an obviously very large increase in rent, well beyond the allowable and automatic increases, and so the owner must go to the rent board to get this increase approved.

- Would this board approve that rent increase of $500 per month per unit? Why or why not?
    - If not, then where is the limit?
- Is there a specific number which is too high of a management fee increase to be considered reasonable?
    - How does that number come into consideration in terms of the applications currently before the board?
- What types of things may be reasonable to include as an increase such as this?
- What types of things are not reasonable to include as an increase such as this?

I have heard no discussion amongst the board concerning these questions. But it is a discussion that the board should have had almost a year ago.

I think it is very important for the board to note that this issue is not going to go away with the MNOI applications. This issue is not specific to Increased Housing Service Cost applications. If you set a precedent that management fees can be increased without limit, be undocumented, and are justification for rental increases, then this will be used in future MNOI applications. Do not open a backdoor to avoid rent control like this.

<u>**Board's Inability to Adequately Review**</u>

I believe that, at least partially, the board's acceptance of these applications is due to negligence. Specifically, these applications are generally documents of more than one hundred pages, and have at times gone into the thousands. They are quite time consuming to review. As a result, at least one member of the board is upfront about their inability to completely review the applications. Specifically, the chair has mentioned in almost every meeting that they are unable to review these. In just the November 29th meeting, the chair brought this up at least three times.

2:17:10 - "I wish we had a little more clarity. Unfortunately no one on this board has 5 hours per week to review rent increase materials"

2:53:15 - Chair says that reviewing the 100 page applications "at least for me, is not a reasonable request"

3:02:05 - Chair says "I personally don't have time to check every single thing" in terms of the charges and receipts [which are now no longer provided because the applicant did not want to organize them, and the board seemingly does not want to review them]

This sentiment has been echoed by at least one other board member, and it draws into question the diligence of the board. The applicant has effectively, and very likely intentionally, drowned the board in application materials to the point where they are unable to adequately review the materials. I think this is unacceptable. Every board member needs to be independently verifying every line item against its receipt, and scrutinizing every charge and cost. Every number must match exactly.

Indeed, every board member should be spending at least 5 hours per application in reviewing the materials, normally. It should be expected for the Port Prop ones that this will take even longer, due to the size of the documentation. I understand that this is a hassle, however this is a hassle that we have each volunteered for. Any board member which can not completely review the applications, has not checked every single thing, or finds reviewing the applications to be an unreasonable request, must not be voting to approve these applications. The board owes the city due diligence.

Board Members Bullied Off

At this point it should be obvious to everyone that the Rent Board has a retention issue. Most new members don't last more than a month or two before they resign. This is partially due to the volume of material we are expected to review, however I believe the culture of the board poses a more significant problem for retention than the applications themselves. Differing opinions and interpretations are shut down frequently, and any new member whose perspective strays from the viewpoints of the “old guard” board members often has their motives, perspectives, or politics questioned. Often new members are told that the board has been doing things a certain way and that they are required to conform to those methodologies, be them right or wrong. In all actuality, the board has not approved more than one or two of these types of applications, and to mislead new members into thinking there is a way this needs to be done for the dozens remaining is wrong to do. The board needs to allow for more room for disagreement and discussion, instead of shutting it and our new members out.

Appendix A:
S 6-234 b. Rev 11-3-2020

(b) A Landlord may only increase the rent charged for a Covered Unit once within a Rental Year, by an amount that conforms to the following specifications:

1. *Annual Increase Percentage.* Unless a Landlord qualifies for an additional increase as further described below, rent for a Covered Unit may not be increased by more than the Allowable Increase Percentage.

2. *Tax Rate Rent Adjustment.* If the mil rate within the City of Portland is altered for the subsequent fiscal year a Landlord may, in addition to the Allowable Increase Percentage, increase rent by the Tax Rate Rent Adjustment for the subsequent Rental Year.

3. *New Tenancy.* A landlord may increase the rent on a Covered Unit by five percent (5%) of the base rent in addition to any other allowable increases when a new tenant occupies a unit. This increase may be applied at most once per year, regardless of the number of new tenancies.

4. *Banked Rent.* If the Landlord has banked additional rent increases, in accordance with Section 6-235 below, this banked amount, in whole or in part, may be added to the increases permitted by subsections (i) and (ii) above.

5. *Additional Rent Board Approved Increases.* In addition to the above rent adjustments, the Rent Board may approve additional rent increases properly demonstrated by the Landlord, attributable to:

    a. Capital improvement costs, including financing costs;

    b. Uninsured repair costs;

    c. Increased housing service costs; and

    d. Any additional increase, within the opinion of the Rent Board, required to allow the Landlord to receive a fair rate of return.

Appendix B:

Maine Secretary of State

2023 Annual Report
Electronic Filing Acknowledgment

For Business Corporations on file as of December 31, 2022

Charter Number: 20012578 D
DCN Number: 2230019035345
Legal Name: PORT PROPERTY MANAGEMENT, INC.

Clerk's Name and Address:

WILLIAM H LEETE JR
PERKINS THOMPSON, P.A. P.O. BOX 426
PORTLAND, ME 041120426

Brief statement of the character of the business:

REAL ESTATE MANAGEMENT

Name and Address of Officers:

TREASURER
THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

PRESIDENT
THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

Is this domestic corporation publicly held? No

Name and Address of Shareholder:

THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

Appendix C:

Maine Secretary of State

2023 Annual Report
Electronic Filing Acknowledgment

For Business Corporations on file as of December 31, 2022

Charter Number: 19972078 D
DCN Number: 2230019023770
Legal Name: EASTERN RESIDENTIAL INC.

Clerk's Name and Address:

WILLIAM H LEETE JR
PERKINS THOMPSON, P.A. P.O. BOX 426
PORTLAND, ME 041120426

Brief statement of the character of the business:

REAL ESTATE DEVELOPMENT

Name and Address of Officers:

TREASURER
JOHN R. WATSON
3 WILD GOOSE LANE, YORK HARBOR, ME 03910

PRESIDENT
THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

Is this domestic corporation publicly held? No

Name and Address of Shareholders:

JOHN R. WATSON 2002 FAMILY TRUST
C/O JOHN R. WATSON, TRUSTEE, 3 WILD GOOSE LANE, YORK HARBOR, ME 03910

THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

WATSON 2002 CHILDREN'S TRUST
C/O THOMAS WATSON, TRUSTEE, 94 PINE STREET, PORTLAND, ME 04102

Date of Filing: April 25, 2023

Name and Capacity of Authorizing Party:

WILLIAM H. LEETE, JR., CLERK

Appendix D:

Maine Secretary of State

2023 Annual Report
Electronic Filing Acknowledgment

For Limited Liability Companies on file as of December 31, 2022

Charter Number: 20100926DC
DCN Number: 2230019084309
Legal Name: GRANT STREET REALTY GROUP, LLC

Registered Agent's Name and Address:

WILLIAM H LEETE JR
PERKINS THOMPSON, P.A. P.O. BOX 426
PORTLAND, ME 041120426

Brief statement of the character of the business:

OWNERSHIP AND MANAGEMENT OF REAL ESTATE

Name and Address of Member, Manager or other Authorized Person:

THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

Date of Filing: April 28, 2023

Name and Capacity of Authorizing Party:

WILLIAM H. LEETE, JR., REGISTERED AGENT

Appendix E:

Maine Secretary of State

2023 Annual Report
Electronic Filing Acknowledgment

For Limited Liability Companies on file as of December 31, 2022

Charter Number: 20050161DC
DCN Number: 2230019051109
Legal Name: SHEPLEY, LLC

Registered Agent's Name and Address:

WILLIAM H LEETE JR
PERKINS THOMPSON, P.A. P.O. BOX 426
PORTLAND, ME 041120426

Brief statement of the character of the business:

REAL ESTATE OWNERSHIP AND MANAGEMENT

Name and Address of Member, Manager or other Authorized Persons:

THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

BRIAN C. BUSH
105 MIDDLE ROAD, N. CHATHAM, MA 02650

Date of Filing: April 25, 2023

Name and Capacity of Authorizing Party:

WILLIAM H. LEETE, JR., REGISTERED AGENT

Appendix F:

Maine Secretary of State

2023 Annual Report
Electronic Filing Acknowledgment

For Limited Liability Companies on file as of December 31, 2022

Charter Number: 20164326DC
DCN Number: 2230019125633
Legal Name: AMBASSADOR, LLC

Registered Agent's Name and Address:

WILLIAM H LEETE JR
PERKINS THOMPSON, P.A. P.O. BOX 426
PORTLAND, ME 041120426

Brief statement of the character of the business:

OWNERSHIP OF REAL ESTATE

Name and Address of Member, Manager or other Authorized Person:

THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04101

Date of Filing: April 25, 2023

Name and Capacity of Authorizing Party:

WILLIAM H. LEETE, JR., REGISTERED AGENT

Appendix G:

Maine Secretary of State

2023 Annual Report
Electronic Filing Acknowledgment

For Limited Liability Companies on file as of December 31, 2022

Charter Number: 20150411DC
DCN Number: 2230019113223
Legal Name: FORTY NINE, LLC

Registered Agent's Name and Address:

WILLIAM H LEETE JR
PERKINS THOMPSON, P.A. P.O. BOX 426
PORTLAND, ME 041120426

Brief statement of the character of the business:

OWNERSHIP AND MANAGEMENT OF REAL ESTATE

Name and Address of Member, Manager or other Authorized Person:

THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

Date of Filing: April 28, 2023

Name and Capacity of Authorizing Party:

WILLIAM H. LEETE, JR., REGISTERED AGENT

Appendix H:

Maine Secretary of State

2023 Annual Report
Electronic Filing Acknowledgment

For Business Corporations on file as of December 31, 2022

Charter Number: 19981418 D
DCN Number: 2230019025651
Legal Name: SPAR INC.

Clerk's Name and Address:

WILLIAM H LEETE JR
PERKINS THOMPSON, P.A. P.O. BOX 426
PORTLAND, ME 041120426

Brief statement of the character of the business:

REAL ESTATE DEVELOPMENT

Name and Address of Officers:

TREASURER
THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

PRESIDENT
JOHN R. WATSON
3 WILD GOOSE LANE, YORK HARBOR, ME 03911

Is this domestic corporation publicly held? No

Name and Address of Shareholders:

JOHN C. WATSON
112 PLEASANT STREET, AYER, MA 01432

THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

JOHN R. WATSON 2002 FAMILY TRUST
C/O JOHN R. WATSON, TRUSTEE, 3 WILD GOOSE LANE, YORK HARBOR, ME 03911

JACQUELINE L. PIERCE
6 MASEFIELD TERRACE, CAPE ELIZABETH, ME 04107

Date of Filing: April 25, 2023

Name and Capacity of Authorizing Party:

WILLIAM H. LEETE, JR., CLERK

Appendix I:

Maine Secretary of State

2023 Annual Report
Electronic Filing Acknowledgment

For Limited Liability Companies on file as of December 31, 2022

Charter Number: 20207352DC
DCN Number: 2230019167126
Legal Name: WEST STREET PARTNERS, LLC

Registered Agent's Name and Address:

HAWLEY R. STRAIT
BERNSTEIN SHUR PO BOX 9729
PORTLAND, ME 04104-5029

Brief statement of the character of the business:

OWNING, MANAGING AND OPERATING REAL PROPERTY.

Name and Address of Member, Manager or other Authorized Person:

THOMAS E. WATSON
188 STATE STREET, THIRD FLOOR, PORTLAND, ME 04101

Date of Filing: May 23, 2023

Name and Capacity of Authorizing Party:

JILL HAZLEWOOD, AUTHORIZED PERSON

Appendix J:

Maine Secretary of State

2023 Annual Report
Electronic Filing Acknowledgment

For Limited Liability Companies on file as of December 31, 2022

Charter Number: 20134484DC
DCN Number: 2230019104751
Legal Name: MARKET MILK PARTNERS, LLC

Registered Agent's Name and Address:

WILLIAM H LEETE JR
PERKINS THOMPSON, P.A. P.O. BOX 426
PORTLAND, ME 041120426

Brief statement of the character of the business:

OWNERSHIP OF REAL ESTATE

Name and Address of Member, Manager or other Authorized Person:

THOMAS E, WATSON
94 PINE STREET, PORTLAND, ME 04102

Date of Filing: April 28, 2023

Name and Capacity of Authorizing Party:

WILLIAM H. LEETE, JR., REGISTERED AGENT

Appendix K:

Maine Secretary of State

2023 Annual Report
Electronic Filing Acknowledgment

For Business Corporations on file as of December 31, 2022

Charter Number: 19961131 D
DCN Number: 2230019021370
Legal Name: WEST COMPANY

Clerk's Name and Address:

WILLIAM H LEETE JR
PERKINS THOMPSON, P.A. P.O. BOX 426
PORTLAND, ME 041120426

Brief statement of the character of the business:

REAL ESTATE DEVELOPMENT

Name and Address of Officers:

TREASURER
THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

PRESIDENT
JOHN R. WATSON
3 WILD GOOSE LANE, YORK HARBOR, ME 03911

Is this domestic corporation publicly held? No

Name and Address of Directors:

THOMAS E. WATSON
94 PINE STREET, PORTLAND, ME 04102

JOHN R. WATSON
3 WILD GOOSE LANE, YORK HARBOR, ME 03911

JACQUELINE L. PIERCE
6 MASEFIELD TERRACE, CAPE ELIZABETH, ME 04107

RUSSELL J. PIERCE
6 MASEFIELD TERRACE, CAPE ELIZABETH, ME 04107

Date of Filing: April 25, 2023

Name and Capacity of Authorizing Party:

WILLIAM H. LEETE, JR., CLERK

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

Date of Hearing:

December 27, 2023

Owner Name and Address:

Michelle Dunham
55 Sherman St Apt 1
Portland, ME 04101

Agent Name and Address:

N/A

Property Address and Unit:

55 Sherman St, Units 2-7

CBL:

048-D-022-001

Tenants/Interested Parties:

Yes

Written Public Comment

Amanda Edmonds <amanda.edmonds@gmail.com>
To: rentboard@portlandmaine.gov
Tue, Dec 26, 2023 at 11:05 AM

To whom it may concern:

Michelle Dunham is one of the best landlords I've dealt with in the Portland area. I've lived in and around Portland for over 20 years and she is the most receptive landlord thus far. If there is an issue, no matter the size, it is remedied as fast as humanly possible. This building is maintained to the highest standards, again not something I've dealt with ever in Portland. The building is safe and Michelle makes sure the units are safe and secure at all times.

She has allowed me to live in unit 2 rent free until this rent stabilization is finished. Michelle also allows my support dog and 2 cats to live with me with no expectation of pet rent.

Michelle takes pride in her building and how her tenants are treated. Living in this building has been a great experience and I feel fortunate having Michelle as my landlord.

Thank you,

Amanda Edmonds

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

Date of Hearing:

August 23, 2023 - Tabled to December 27, 2023

Owner Name and Address:

Forty Nine LLC, 82 Hanover St, Portland, ME 04101

Agent Name:

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

Property Address and Unit:

19 Parris St, Units 1-9

CBL:

033-I-005-001

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:

August 23, 2023 - Tabled to December 27, 2023

Owner Name and Address:

Spar Inc, 82 Hanover St, Portland, ME 04101

Agent Name:

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

Property Address and Unit:

20 Melbourne St, all 7 units (Legal address is 18 Melbourne St)

CBL:

014-G-014-001

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:

August 23, 2023 - Tabled to December 27, 2023

Owner Name and Address:

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

Agent Name:

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

Property Address and Unit:

40-42 West St, all 12 units (Legal address is 40 West St)

CBL:

063-H-004-001

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))

Dear Portland Rent Board:

I am writing in response to the Application for Rent Increase submitted by Port Property Management regarding 40-42 West St. I have been a tenant at 40 West St #4 since September 23, 2021. I am writing to express my strong opposition to Port Property's application. Port Property's actions regarding this matter have not shown that they are attempting to follow Portland rent control and Rent Board ordinances or acting in good faith toward their tenants. If the Board decides to hear Port Property's application, I request that they conduct a Maintenance of Net Operating Income Analysis. I dispute some of Port Property's line items listed as evidence of increased operating costs. And finally, the central issue is that the cost of Port Property's business has increased, leading to reduced profits for the company. This is a standard risk of any business venture and it should not be the responsibility of the city to ensure a company's profits on the backs of city residents, in this case, Port Property tenants.

Port Property has not acted in good faith towards the Rent Board or its tenants. When they initially filed the application in March, they dumped numerous applications for various properties on the Rent Board just before new, stricter rules about rent increases were going into effect. The initial application packet for this building alone was 689 pages long, disorganized, and contained irrelevant documents. This seemed to be a deliberate tactic to overwhelm the Board and tenants and make a detailed response difficult. In addition, Port Property sent a misleading email (attached) to tenants on March 13, 2023 that implied that the application to the board would not affect rents (although the very purpose of the application is future rent increases). I believe the purpose of this email was to falsely reassure tenants and dissuade them from disputing the rent increase application before the Board. Finally, Port Property has resubmitted this application for reconsideration just before the end of 2023, with only one week's notice to tenants prior to the meeting, over a major holiday. This seems another deliberate attempt to prevent tenants and the Board from carefully considering the information in the application and to make it less likely for tenants to respond and dispute the application for increase. Port Property has clearly engaged in a pattern of disingenuous interaction with the Board and its tenants regarding this application, and I request the Board refuse to hear their application due to these actions.

Should you choose to hear the application despite Port Property's questionable actions, I ask that you consider my concerns with regard to the following line items cited as evidence for their increased costs:

1. Regarding appliance repairs: Appliances wear out and require repairs and replacement over time. This is a normal cost of being a landlord. Port Property's lack of prompt responses to appliance work orders may be leading to increased costs because issues are not being addressed when they are still repairable. For example, in January 2023, I reported that my refrigerator was rattling and only running part of the time. By the time Port Property responded 6 days later, the fridge was not working at all, needed to be replaced, and I requested reimbursement for spoiled food. If they responded to such issues more promptly, their appliance costs would probably be reduced, as they could

pay for repairs instead of replacements, and not have to do things like reimburse tenants for spoiled food.

2. Regarding snow plowing: Port Property has listed snow plowing costs, but the property has no driveway or parking lot. This bill seems high for sidewalk shoveling alone. Also, the same contract appears to be listed more than once on the Account Detail page for Snow Plowing. Port Property should clarify what this line item is for and delete any duplicate entries.

3. Regarding postage: The account detail for postage in 2022 is for mail forwarded to a single past tenant. This should not be considered as an increased operation cost to pass on to current tenants via a rent increase.

4. Regarding grounds expenses: This expense does not seem accurate. There is no landscaping on the property. I have never seen or heard anyone mow the several square feet of grass on the property, and the property is often cluttered with leaves and garbage.

5. Regarding HVAC Expenses: Most of the line items on this account detail are for air conditioning installations and removals. This is an optional service that individual tenants request. Having Port Property install and remove air conditioning is stipulated in leases, along with an additional electricity charge for those tenants who opt for AC. Air conditioning installation and removal is not universal nor is it required for the maintenance and upkeep of the property and therefore should not be taken into consideration for raising rent for all tenants.

6. Regarding turnover expenses: According to the account detail, many of these expenses are related to cleaning units that are turning over; however, Port Property's leases state that prior tenants are responsible for cleaning expenses and such expenses are withheld from the security deposits of tenants who move out. Current tenants should not be charged more rent for the cost of cleaning vacated apartments that former tenants are also paying to have cleaned. In addition, I have witnessed Port Property make decisions that limit the income they are getting from turned over units. For example, they have left units sit vacant for weeks or months at a time, despite the fact that there is a housing shortage and the units probably could have been rented quickly. I also requested to be considered to transfer to a different apartment in January 2023 but was denied without reason (despite repeated requests for an explanation—see attached email thread), and despite the fact that me transferring would have allowed Port Property to turn my unit, which has a higher base rent, over and therefore make more money with the extra turnover increase allowed under the Rent Control Ordinance. Current tenants should not be held responsible for covering expenses incurred by Port Property's decisions regarding turnover.

7. Regarding software and accounting expenses: I would like the Board to question whether the expenses listed in the account detail are only for the portion of these services going directly to use on 40-42 West Street. There is no reason tenants from this building should be compelled to pay the costs associated with other buildings.

Finally, I would like to respond to the slides that Port Property added at the beginning of their application regarding the maintenance of their margin on the properties they manage. The information on pages 3-10 of Port Property's application attempt to argue that their profits have fallen due to inflation, so the city should allow them to raise rent so they can continue to make their expected profits. In response, I argue that an inherent risk of owning a business is that sometimes costs increase and profits fall. Port Property has already made changes in this building to cope with increased costs, including requiring that tenants under new leases pay higher pet fees and pay for utilities. In addition, inflation is falling, and tenants should not suffer from a rent increase that will affect rents for years to come in response to short term economic conditions.

Portland voters have overwhelmingly supported the rent control ordinance as it is numerous times. The Board should only consider extra rent increases under extreme circumstances. A company having a smaller profit due to changes in the national economy is not an extreme enough circumstance to warrant exception from city ordinance. If a store in town had slightly smaller profits one year due to general economic conditions, the city would not allow them to bend ordinances to keep profits high. The same logic should apply here. Port Property is not a struggling mom and pop shop. It is a massive and expanding company, purchasing and building new properties across the city. This Board should act in protection of Port Property's tenants, even though it means a smaller profit (although they are still making a profit!) for Port Property. It is not the responsibility of the city government to ensure the profits of private companies; however, it *is* the responsibility of the city government to act in the interests of the residents who elected them, including by enforcing ordinances to ensure safe and affordable housing for those residents. This Board has the opportunity to fulfill that responsibility by denying this rent increase application.

Thank you for your consideration of tenants in this matter.

Sincerely,

Kara Kralik
40 West St, #4
Portland, ME 04102

Attachments:

Port Property Email to 40-42 West St Tenants, 3/13/23

Email thread regarding request to transfer, 1/10/23-1/17/23

Gmail

Kara Kralik <kkralik4@gmail.com>

Important -- Please Read!
6 messages

Port Property <no-reply@rentcafe.com> Mon, Mar 13, 2023 at 2:59 PM
Reply-To: no-reply@rentcafe.com
To: kkralik4@gmail.com

mailto:no-reply@rentcafe.com

Dear Residents,

I'm reaching out today to share information about your building, 40-42 West Street.

The owner of the property has seen an increase in what are referred to as "housing service costs" for this property in 2022. These costs include things like repairs and utilities. In the past, Port Property would typically recover any such cost increases upon turnover of an apartment when new tenants would lease a vacant apartment at an increased rental rate.

However, as you may be aware, Portland's rent control law went into effect last year. Among other things, it limits what can be done at turnover and requires the submission of an "Increased Housing Service Cost Allowance Form". You may be notified by the City of Portland of the submission of this form associated with this property. We apologize for any inconvenience or confusion this may have caused.

The Increase Housing Service Cost Allowance Form requires the inclusion of a table outlining current and "proposed" rental rates. Please know that the proposed new rents in the submission are **NOT** intended to reflect a proposed rent increase for your tenancy. Any increase to your rent would be communicated directly to you from our team at least 90 days in advance of your lease renewal date and would not exceed 10% of your current rental rate.

Again, we apologize for any confusion this process may cause. This law is new, and we're working hard to navigate and accommodate the unintended consequences. We are always available for questions and will continue to communicate with you. Please don't hesitate to reach out.

Port Property Longfellow Team
207-699-2216
Longfellow@portproperty.com

Gmail **Kara Kralik <kkralik4@gmail.com>**

42 west apt 1

7 messages

Kara Kralik <kkralik4@gmail.com> Tue, Jan 10, 2023 at 7:07 AM
To: Charlie Miller <cmiller@portproperty.com>

Hi Charlie,

Thank you for your call and email yesterday about the fire alarm. I also inquired about unit 1 next door that I saw listed on your website as available for rent. I am interested in being considered to move over there if it is still available.
Thank you.

Port Property- Longfellow <longfellow@portproperty.com> Tue, Jan 10, 2023 at 4:03 PM
To: Kara Kralik <kkralik4@gmail.com>

Hi Kara,

Thank you for reaching out and expressing your interest in transferring. Unfortunately, at this time we are not permitted to approve transfers into this particular building. However, we'd be happy to work with you if you're interested in transferring to another building in the future. Let me know if anything catches your eye on the website, or if you have any questions. I'm happy to assist.

Best,

PORT PROPERTY

Garrett Kidney
Assistant Property Manager

P: 207-699-2215
F: 207-761-0770

82 Hanover Street, Suite 5
Portland, ME 04101

www.portproperty.com

Did we make home happen for you? Leave our team a review on Google!

[Quoted text hidden]

Kara Kralik <kkralik4@gmail.com> Tue, Jan 10, 2023 at 4:39 PM
To: Port Property- Longfellow <longfellow@portproperty.com>

Hi Garrett,

Interesting. Can I ask why transferring within the building is not allowed? And yes, if anything else opens up in Portland or South Portland that is larger or less expensive than my current unit, I would be interested. Thank you.
[Quoted text hidden]

Kara Kralik <kkralik4@gmail.com> Tue, Jan 17, 2023 at 7:43 AM
To: Port Property- Longfellow <longfellow@portproperty.com>

Hello Garrett,

I never received an explanation of why transfers are not allowed in my building. Can you please explain? Thank you!
[Quoted text hidden]

Garrett Kidney <gkidney@portproperty.com> Tue, Jan 17, 2023 at 2:42 PM
To: Kara Kralik <kkralik4@gmail.com>
Cc: Shauna Dineen <sdineen@portproperty.com>

Hi Kara,

Thank you for following up on this, I apologize I didn't get back to you sooner!! 42 West #1 is off the market currently, but our regional manager, Shauna, would like to follow up with you regarding your inquiry. She's available on Thursday, are there any times that work best for you then? Please let us know.

Best,

PORT PROPERTY

Garrett Kidney
Assistant Property Manager

P: 207-699-2215
F: 207-761-0770

82 Hanover Street, Suite 5
Portland, ME 04101

www.portproperty.com

[Quoted text hidden]

Kara Kralik <kkralik4@gmail.com> Tue, Jan 17, 2023 at 6:20 PM
To: Garrett Kidney <gkidney@portproperty.com>

I'm only available after 5:00 on Thursday, but I assume you are out of the office by then?
[Quoted text hidden]

Kara Kralik <kkralik4@gmail.com> Wed, Jan 18, 2023 at 7:03 AM
To: Garrett Kidney <gkidney@portproperty.com>

Actually I could take a call between 3-4. Thank you!
[Quoted text hidden]

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

Date of Hearing:

August 23, 2023 - Tabled to December 27, 2023

Owner Name and Address:

West Company, 82 Hanover St, Portland, ME 04101

Agent Name:

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

Property Address and Unit:

55 William St, all 12 units

CBL:

116-A-025-001

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:

August 23, 2023 - Tabled to December 27, 2023

Owner Name and Address:

West Company, 82 Hanover St, Portland, ME 04101

Agent Name:

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

Property Address and Unit:

60 Carleton St, all 4 units

CBL:

063-D-013-001

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))