



RENT BOARD
February 12, 2025
5:00 PM

ZOOM INFORMATION:

- a. Join from PC, Mac, iPad, or Android:
<https://portlandmaine-gov.zoom.us/j/81808069166?pwd=0YbpatVRZRRfvehb1k7tbocBq3yBDi.1>
Passcode:816167

Phone one-tap:

+16469313860,,81808069166#,,,,*816167# US

+19292056099,,81808069166#,,,,*816167# US (New York)

Join via audio:

+1 646 931 3860 US

+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)

+1 253 215 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

+1 253 205 0468 US

Webinar ID: 818 0806 9166

Passcode: 816167

International numbers available: <https://portlandmaine-gov.zoom.us/u/kbi3XndqRb>

II. ROLL CALL:

III. New Business

- a. Completeness Check Procedure Discussion
- b. Rent Board Annual Report Discussion

IV. Adjourn

Rent Increase Application Modifications

Our initial efforts are on clarifying the MNOI Expense Worksheet and helping bring focus to the items of large change which are driving the need for rent to be raised in excess of the Allowed Increase

Affidavit

First item is the addition of an affidavit on the increase application stating that all information is truthful and correct.

The primary goals help increase the level of trust in the application, and impart to the applicant the seriousness of providing correct and complete information. Then we could reduce the number of receipts and invoices which we require from an applicant,

Addition of Request for Detailing of Specific Reasons for Increase Request

Addition of a section below section III that requests the applicant what particular items are the cause for need to increase rent greater than the yearly Allowed Increase. The idea is that in most cases there are specific expenses or circumstances which caused a negative change in NOI. We want to bring focus to these early on as they will be the primary subject of scrutiny during comment and deliberations. This gives the application the prompt to explain these early on and therefore increase the “completeness” of the application prior to the Q&A.

Threshold concepts:

Setting levels of change in expenses (or income too?) at which we require the application to provide proof of costs and payment.

Before we talk about thresholds we need to talk about changing the base year to be a rolling one of the previous year. We don't see a way to maintain proper relative comparison of the Base Year to the current one for the application of the base year stays fixed, unless the entire MNIO form is adjusted for CPI line by line. Since rent control is supposedly enforced against the rent charged year to year, and any currently banked rent will be taken into account during the deliberation, then it seems perfectly reasonable to use the previous year in all MNIO calculations.

MNIO Operating Expense Worksheet:

Field	Description & Examples	Documentation Requirements
Advertising	Costs related to advertising vacancies. Examples are online listings and physical signage.	Standard threshold
Auto and Travel	Vehicle, fuel, and other travel costs that are solely related to rental operations.	Standard threshold
Cleaning and Property Maintenance*	Includes both indoor cleaning costs and outdoor items like yard, pool, parking lot maintenance, and snow removal, as well as supplies needed for the cleaning and general maintenance of the property. This is NOT repairs.	Standard threshold
<i>Cleaning</i>	<i>Use this separate line if there is a particularly large change in this item. This helps isolate it from the greater Cleaning and Property Maintenance section.</i>	<i>Standard threshold</i>
<i>Landscaping</i>	<i>As above.</i>	<i>Standard threshold</i>
<i>Snow Removal</i>	<i>As above.</i>	<i>Standard threshold</i>
<i>Turnover Costs</i>	<i>As above.</i>	<i>Standard threshold</i>
Commissions	Fees paid to a 3rd party for tenant placement.	Always. The board will want to see the agreement it was charged under and proof of payment.
Insurance*		Standard threshold
Rental Licensing and Registration Fees*		
Legal, Accounting, and other professional fees*		Standard threshold

Management Wages and Salaries or Fees	Management costs directly related to personnel hired for overseeing and executing rental operations.	Standard threshold
Repairs*	All repairs that do not include actual replacement of anything.	Standard threshold
Security	Costs of private security and security systems.	
Supplies	Office and mailing supplies, keys...any supplies needed for the management of the property that do not fall into another category	Standard threshold
Taxes*		Never
Utilities*		
Amortized Capital Expenses	Necessary replacement of appliances, fixtures, and components of the property. For example, replacing a refrigerator or stove, or repairing a leaking or failing roof.	Documentation of need for repair.

* = Required

Italics = Optional, for board discussion.

No documentation needed for changes where both items are under \$250; if not \$250 what is that number, \$500? Otherwise documentation is required for changes over a specific percent such as 20%.

Do we also need an dollar-amount threshold for an amount which any line item over such needs documentation? For example, as any line where the amount for either year is over \$2500?

Amortization Table updates are coming.

A point about the Completeness Check

I think it is prudent that the board has their full set of issues with the current application ready at the completeness check. By doing this and then performing the check and moving on to public comment at the next meeting we ensure that we process applications with only the single back-and-fourth of requesting additional information and documentation. If we set a standard of this (do we codify it in our rules at some point...if it works?) then we allow us to move forward with comment, deliberation, and a decision in a timely manner where we should process most applications in a maximum of 3 meetings.

Documenting receipts for Rent Board applications:

IX. Operating Expense Worksheet – Receipt Documentation

Instructions: This guide is designed to assist applicants in organizing and presenting documentation often requested for rent increases.

Recurring expenses: For expenses such as utilities that are billed in monthly or quarterly installments, at the top of each bill write the Line & Category (i.e. Line 20 electricity) and then the Year/Month (July 2024). If the bill is quarterly, write the quarter and year (Q2 2024)

Annual Bills: For expenses that occur on a yearly or one time basis, write the category name and year (ie. Parking Lot Maintenance 2024)

IX. Operating Expense Worksheet – Receipt Documentation

Recurring expenses example:

Line 20: Electricity

Date: July, 2020



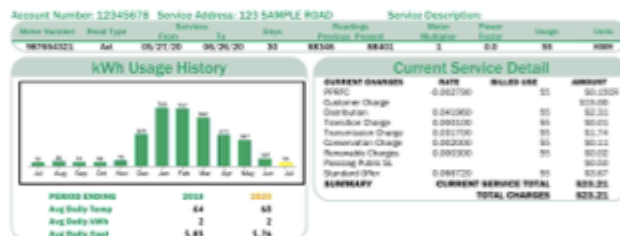
Customer Service: 401-568-6222
FAX: 401-568-0000
Mon, Tue, Wed & Fri: 7:00AM to 3:30PM
Thurs: 7:00AM to 7:00PM
Website: www.pud-nj.org

John Doe
John Doe
123 Sample Road
Pascoag, RI 02859



Statement Date: 07/01/2020
Cycle/Route: 1/20
Account Number: 12345678
Payment Due: 07/15/2020

Service Summary
Previous Balance: \$20.47
Payments: \$20.47 (0)
Balance Forward: \$0.00
Current Charges: \$23.21
Total Balance Due 07/15/2020: \$23.21



KEEP Please do not staple or paperclip.
Please scan QR Code to update account information.
JOHN DOE
JOHN DOE
123 SAMPLE RD
PASCOAG RI 02859-0000



Cycle/Route: 1/20
Account Number: 12345678
Total Due 07/15/2020: \$23.21
After 07/15/2020 Pay: \$23.21

Please fill in amount paid \$
DO NOT SEND CASH

PAYMENT OPTIONS
Mail: Include this coupon with payment.
In Person at: 250 Pascoag Main Street, Pascoag, RI
Pay By Phone: Call Toll Free 855-730-6710
Pay Online: <https://www.pascoag.org>



Make checks payable to:
Pascoag Utility District Electric Service
P.O. Box 1005
Pascoag, RI 02859-1005
454500110130051000000232100000023217

Background

Dear Members of the Portland City Council:

The Rent Board submits to the Portland City Council its annual report as required by **City of Portland Code of Ordinance Chapter 6, Article XII, Sec. 6-263 (h)**, which states:

***Sec. 6-263.** In addition to the jurisdiction conferred on it by other ordinances of the City and in accordance therewith, the Rent Board shall have the following jurisdiction and authority:*

***(h)** To prepare an annual report on the state of the City's rental unit availability, which shall be presented to the City Council as part of a regularly-scheduled public hearing. This report shall include a summary of rents within each of the five (5) council wards. Such reporting may or may not be done in conjunction with similar reporting required of the City's Rental Housing Advisory Committee, as established by this Chapter;*

In the following pages the Board provides a summary of the following:

- Activities and significant events of the Board.
- Legal considerations that have impacted Board operations.
- Data regarding rental units within the city summarized in charts, tables, and graphs.

This report is intended to meet the ordinance requirement above, and to provide a factual summary of the Board's work since the Board was formed.

Respectfully submitted,

City of Portland Rent Board

Significant Board Activities and Events

City of Portland | Permitting and Inspections
Jessica Hanscombe, *Director*



TO: Housing & Economic Development Committee
CC: Rent Board
FROM: Jessica B. Hanscombe, Director of Permitting and Inspections
DATE: January 7, 2025
RE: Quarterly Rent Control Report- Q4-2024

Rent Control Report Quarter 4 (10/1/2024-12/31/2024)

Rent Board

	Total # of Applications	Total # of Applications approved	Total # of Applications Denied	Total # of Applications Tabled
Rent Increases	16	7	1	8
Complaints	2	0	0	2
Other	0	0	0	0
Quarter 4 Total:	18	7	1	10
Year to date Total	43	14	1	28

During the 2024 Year the Board received 43 applications

- **X** number of Landlord requests for rent increases
- **Y** number of Tenant rights appeals

Of the 43 applications to the Board

- 14 were approved (**breakdown of landlord/tenant apps?**)
- 1 was denied
- 28 more remain tabled for various reasons (**or have yet to be heard?**)

Significant Board Activities and Events

In 2024, the city began the process of proactive enforcement and auditing of rental properties through the new Licensing and Housing Safety Division (LHSD)

- They have investigated 3911 units among 544 properties
 - This is roughly 22% of all the rental units in the city, and about 14% of rental properties
 - (**How many investigated units/properties deemed compliant vs in violation?**)

Rent Control Inspections

Type of Inspections	Total # Properties	Total # of units
<u>Complaints</u> (Potential violations reported to our office)	11	301
<u>Audits</u> (Proactive enforcement based on percentage that rent was increased)	27	545
<u>Quality Control</u> (proactive verification of data supplied to our office)	155	390
Quarter 4 Total:	193	1236
<i>Year to date Total</i>	<i>544</i>	<i>3,911</i>

Significant Board Activities and Events

The Board also proposed and implemented a few rules of procedure

- A formalization of the recusal process (**was this 2024 or 2023?**)
- A procedure for ensuring public access and participation in application proceedings
- A “completeness check” methodology to ensure applicants are submitting complete materials before any application makes it to the public hearing phase (to reduce applications needing tabling)
 - This action carries on into 2025 as the Board adapts their application process to ensure applicants understand and anticipate Board expectations such that they can conduct more efficient review

Litigation and Legislation Relevant to the Rent Control Ordinance

I'm not sure about this one

Any help from council would be appreciated

Summarized Rental Unit Data - General Methodology

The Rent Board created the following summary and graphs based on an analysis of data obtained from the Licensing and Housing Safety Division (LHSD). The LHSD is tasked with maintaining the rental unit registration data for the City of Portland. This data is then entered into a database which is utilized for the Board's analysis. This report primarily relies on two timestamps for rental reportings; 1) The Current Rent (November 2023) and 2) The Previous Rent (November 2022). For that reason, the data analysis in this report should be considered a representation of rental conditions through fall 2023, even though the report is dated 2024.

This sheet, containing the abridged and relevant data as well as the analysis done for this report, can be found at <https://docs.google.com/spreadsheets/d/1EiZKbLy4D6jVBeErWWnLSM379vK7C0yeaPDtfhcNRc/>

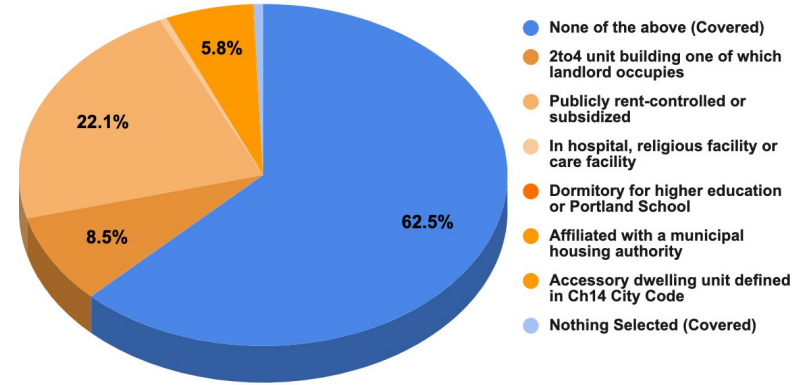
In the previous year, former Chair Mathieu produced a catalog which links each Parcel ID to a specific Ward (District) in the city. This list was used in combination with the LHSD data to identify the ward for each registered rental unit. There were 239 entries in the LHSD data which were not identifiable in the ward catalog. Fortunately, the vast majority of these (207) were at three properties. These and the rest all had easily an identifiable ward based on address. These 239 units with hand corrected ward information are indicated by **Blue** text in the ward column in the above referenced data sheet.

In previous years the Board has filtered the data sheet further, by omitting what were described as “outliers”. This author finds that a significant number of what were considered outliers in those years may in fact be useful information, and so has declined to completely repeat that outlier process for this report. Furthermore, because median statistics are being reported, the few number of covered outliers has very little to no effect on those statistics.

The single circumstance of outliers which are removed from any analysis in this work are for non-reported or for \$0 reported rent levels, in either the current or the previous year, especially in exempt units. Because of the large number of \$0 rents reported, this does affect median statistics for exempt units, so statistics are reported with and without \$0 rents factored in.

Summarized Rental Unit Data - Count Statistics

Registration Type	Count	Percent
None of the above	10937	62.45%
2to4 unit building one of which landlord occupies	1483	8.47%
Publicly rent-controlled or subsidized	3873	22.12%
In hospital, religious facility or care facility	84	0.48%
Dormitory for higher education or Portland School	2	0.01%
Affiliated with a municipal housing authority	1008	5.76%
Accessory dwelling unit defined in Ch14 City Code	15	0.09%
(Nothing Selected) <i>*Considered Covered</i>	111	0.63%
Total	17513	100.00%
Exempt	6465	36.92%
Covered	11048	63.08%



A total of **17,513 units** were registered with the city for the 2024 registration year within the 3,924 unique licenses issued, for roughly 4.46 units/licence

11,048 (63.08%) units were covered

6,465 (36.92%) units were exempt

Summarized Rental Unit Data - Count Statistics

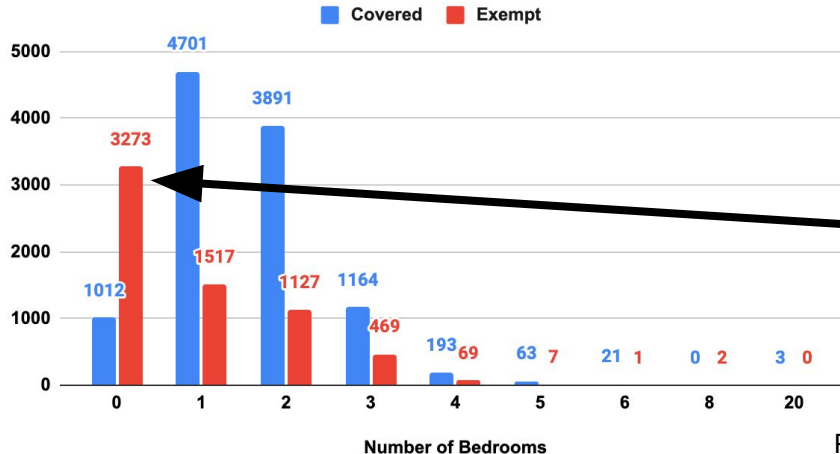
As expected, there tend to be more smaller apartments (0-2 bedroom) than larger (3+ bedrooms).

0-2 Bedroom units appear to represent almost 89% of all units in town.

Studios (0 bed) may be over represented here because most exempt units report 0, as they are not required to.

# of Bdrms	Covered		Exempt		Total	
0	1012	9.16%	3273	50.63%	4285	24.47%
1	4701	42.55%	1517	23.46%	6218	35.51%
2	3891	35.22%	1127	17.43%	5018	28.65%
3	1164	10.54%	469	7.25%	1633	9.32%
4	193	1.75%	69	1.07%	262	1.50%
5	63	0.57%	7	0.11%	70	0.40%
6	21	0.19%	1	0.02%	22	0.13%
8	0	0.00%	2	0.03%	2	0.01%
20	3	0.03%	0	0.00%	3	0.02%
Total	11048	100.00%	6465	100.00%	17513	100.00%

Units By Bedroom Count



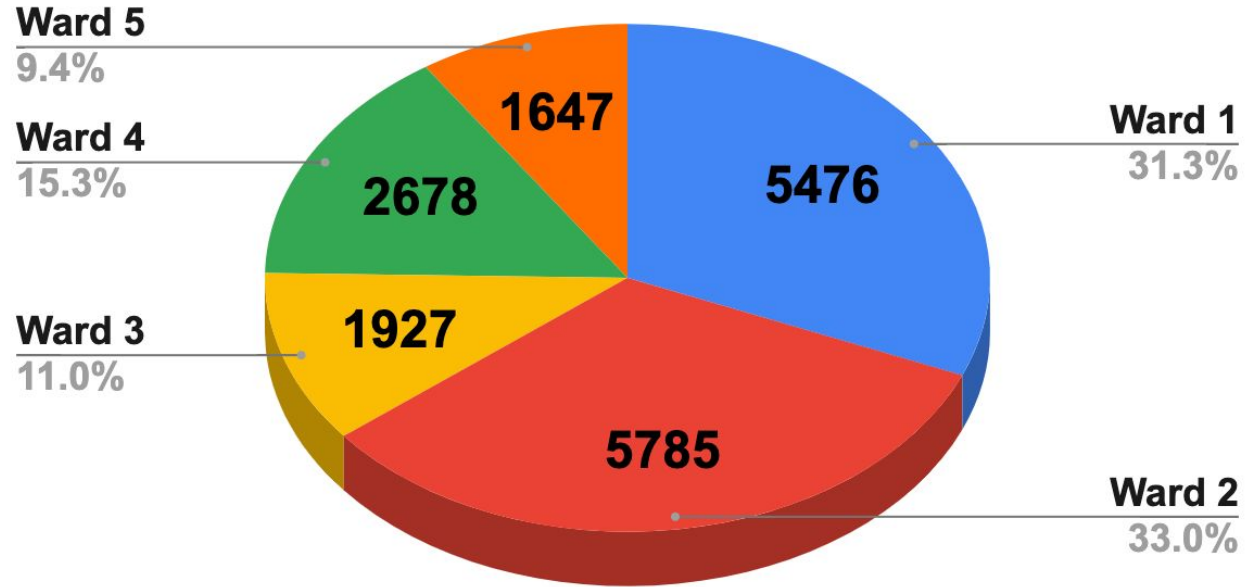
Note: The vast majority of exempt units reported 0 for both rent price and bedroom count, as they are not required to accurately report these.

This means that it is unlikely that the count of 3273 zero bedroom exempt units is accurate, and many of those are probably spread out among the other categories.

Summarized Rental Unit Data - Count Statistics

Around 64.3% of the units in town are in Wards 1 and 2

The Remaining 35.7% are off peninsula in Wards 3, 4, and 5



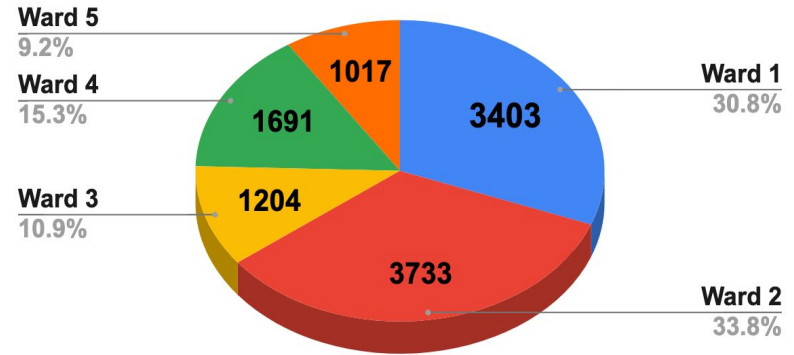
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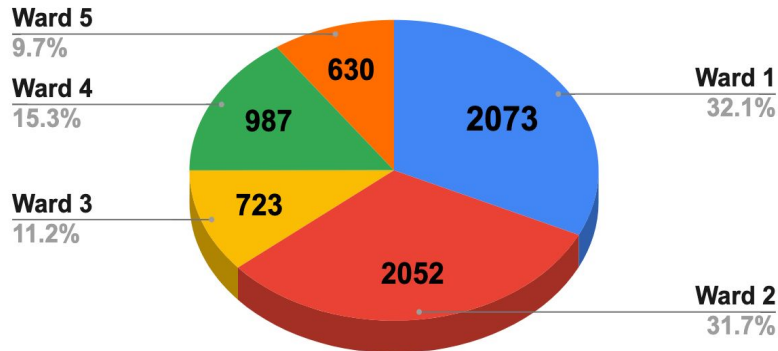
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The ratios of covered versus exempt units appears to be the same across all wards

Covered Units Only



Exempt Units Only



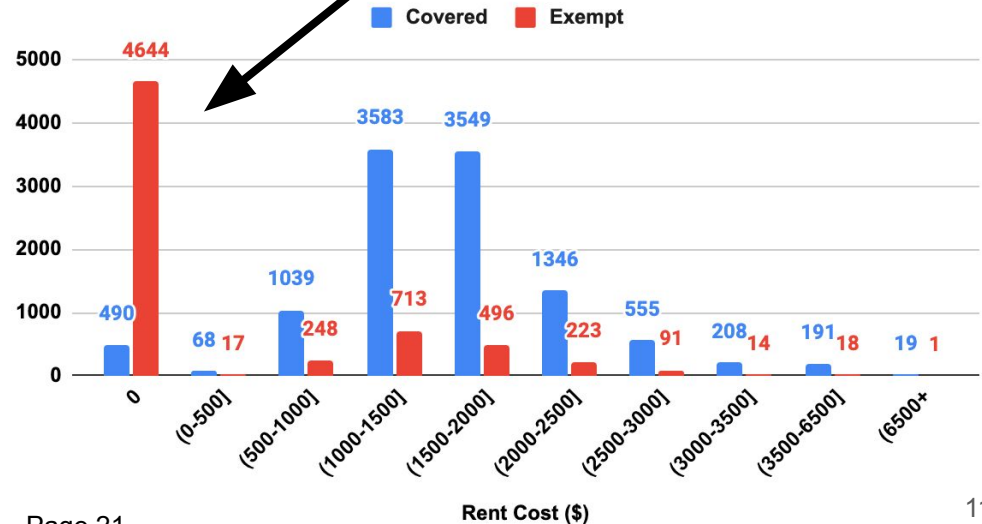
Summarized Rental Unit Data - Count Statistics

Rent Cost \$	Covered		Exempt	
	Count	Percent	Count	Percent
0	490	4.44%	4644	71.83%
(0-500]	68	0.62%	17	0.26%
(500-1000]	1039	9.40%	248	3.84%
(1000-1500]	3583	32.43%	713	11.03%
(1500-2000]	3549	32.12%	496	7.67%
(2000-2500]	1346	12.18%	223	3.45%
(2500-3000]	555	5.02%	91	1.41%
(3000-3500]	208	1.88%	14	0.22%
(3500-6500]	191	1.73%	18	0.28%
(6500+	19	0.17%	1	0.02%
Totals	11048	100.00%	6465	100.00%

This shows the general distribution of rents in town

Again - it should be noted that, since exempt units are not required to report, rents that cost \$0 are significantly over-reported. This does affect median statistics considerably.

Units By Rent Cost

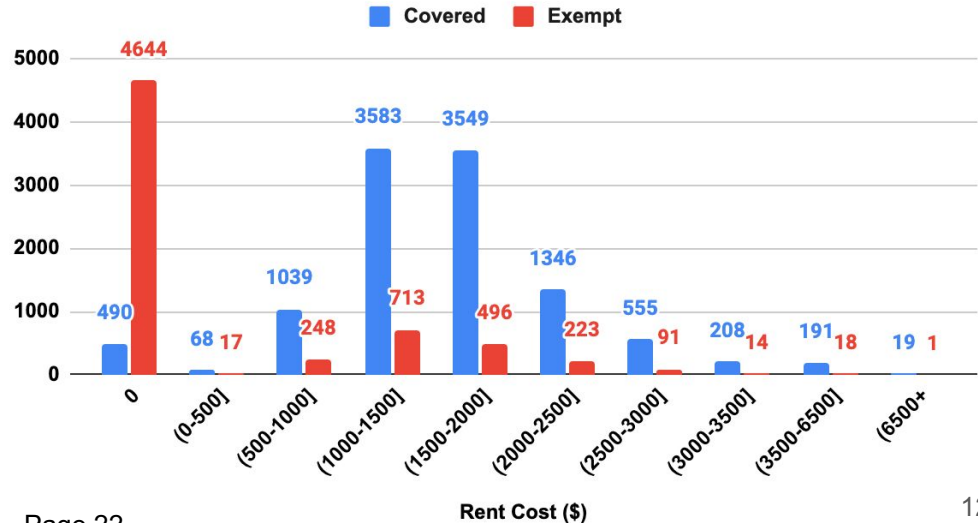


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It may be concerning that almost 5% of covered units in town still report a \$0 rent

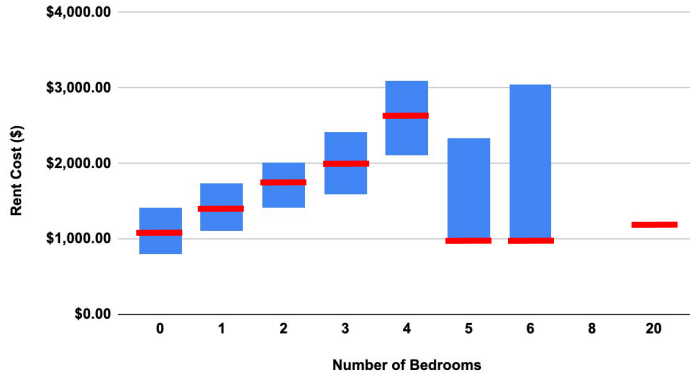
Units By Rent Cost



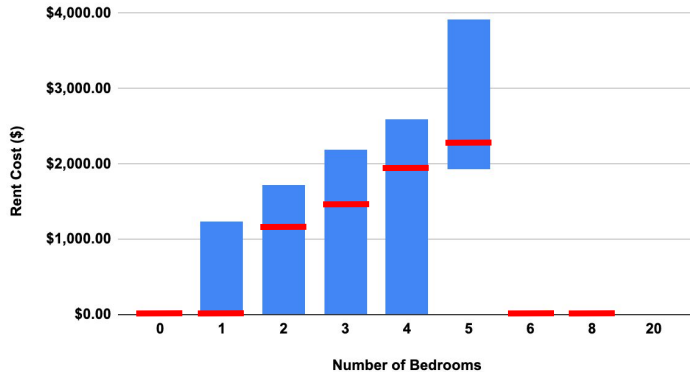
This shows the general distribution of rents in town

Summarized Rental Unit Data - Median Rent Statistics - Full Set

Q1-Q3 Range - Covered



Q1-Q3 Range - Exempt

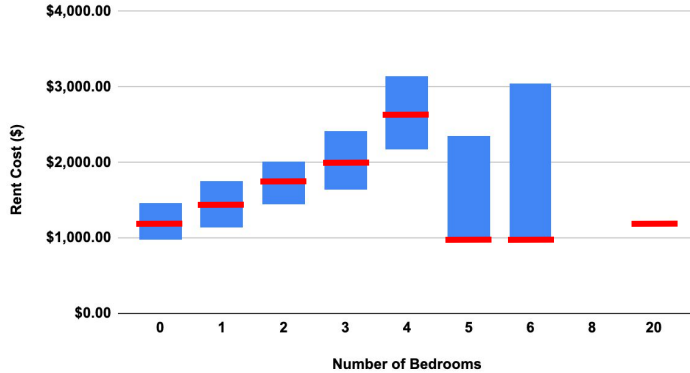


Median (Covered)	N	# of Bdrms	N	Median (Exempt)
\$1,118.00	1012	0	3273	\$0.00
\$1,400.00	4701	1	1517	\$0.00
\$1,695.00	3891	2	1127	\$1,150.00
\$2,000.00	1164	3	469	\$1,500.00
\$2,640.00	193	4	69	\$1,936.00
\$1,000.00	63	5	7	\$2,250.00
\$1,000.00	21	6	1	\$0.00
#N/A	0	8	2	\$0.00
\$1,200.00	3	20	0	#N/A
\$1,550.00	11048	All	6465	\$0.00

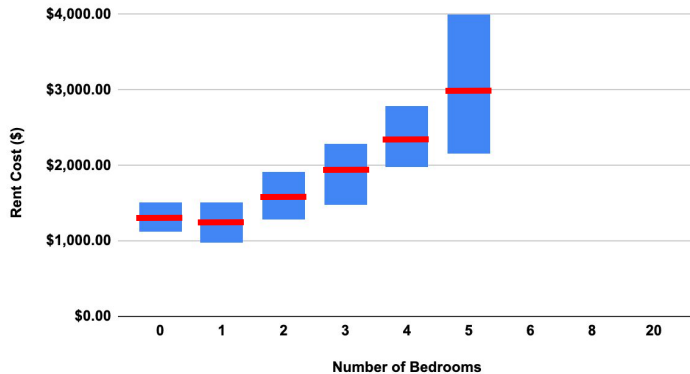
While covered unit stats seem reasonable (except 5+ bdrm), the exempt stats tend to show a median rent of \$0. This is unreasonable and a result of no reporting requirements for these exempt units. The \$0 rents are probably not real.

Summarized Rental Unit Data - Median Rent Statistics - \$0 Rents Removed

Q1-Q3 Range - Covered (Zeros Removed)



Q1-Q3 Range - Exempt (Zeros Removed)



Median (Covered)	N	# of Bdrms	N	Median (Exempt)
\$1,200.00	831	0	105	\$1,325.00
\$1,425.00	4548	1	696	\$1,250.00
\$1,700.00	3773	2	658	\$1,600.00
\$2,010.00	1135	3	312	\$1,986.00
\$2,687.00	185	4	44	\$2,400.00
\$1,000.00	62	5	6	\$3,000.00
\$1,000.00	21	6	0	#N/A
#N/A	0	8	0	#N/A
\$1,200.00	3	20	0	#N/A
\$1,588.00	10558	All	1821	\$1,485.00

Covered stats are unmoved when \$0 rents are removed, leading to confidence the full covered set is representative.

Exempt stats dramatically change by removing \$0 rents.

Summarized Rental Unit Data - Median Rent Statistics - By District

Covered Units

# of Bdrms	All Wards	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5
0	\$1,200.00	\$1,289.00	\$1,094.50	\$1,358.50	\$1,161.00	\$1,490.00
1	\$1,425.00	\$1,567.00	\$1,372.93	\$1,350.00	\$1,425.00	\$1,175.00
2	\$1,700.00	\$1,875.00	\$1,710.00	\$1,620.00	\$1,757.00	\$1,540.00
3	\$2,010.00	\$2,190.00	\$2,016.50	\$2,000.00	\$1,954.00	\$1,900.00
4	\$2,687.00	\$3,000.00	\$2,500.00	\$2,519.00	\$3,000.00	\$2,595.50
5	\$1,000.00	\$4,700.00	\$4,892.90	\$2,346.50	\$1,000.00	\$1,000.00
6	\$1,000.00	\$1,575.00	\$4,995.74	\$3,300.00	#N/A	\$1,000.00
8	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
20	\$1,200.00	#N/A	#N/A	\$1,200.00	#N/A	#N/A
All	\$1,588.00	\$1,654.00	\$1,495.00	\$1,600.00	\$1,710.00	\$1,502.00

Summarized Rental Unit Data - Median Rent Statistics - By District

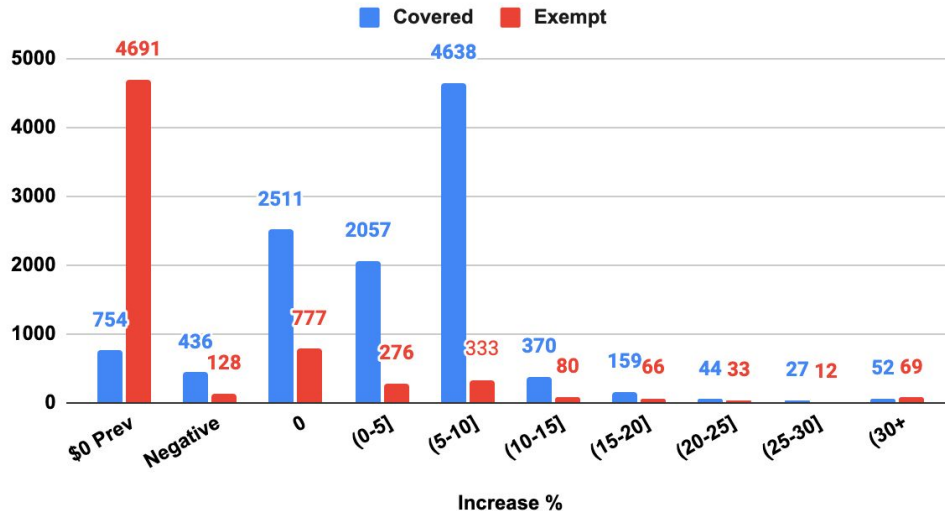
Exempt Units

# of Bdrms	All Wards	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5
0	\$1,325.00	\$1,367.00	\$1,255.00	\$950.00	\$1,488.37	\$1,879.00
1	\$1,250.00	\$1,062.50	\$1,250.00	\$1,300.00	\$1,553.50	\$1,215.00
2	\$1,600.00	\$1,758.00	\$1,700.00	\$1,600.00	\$1,505.00	\$1,550.00
3	\$1,986.00	\$2,183.00	\$1,955.00	\$1,987.50	\$1,675.00	\$2,061.00
4	\$2,400.00	\$2,061.00	\$2,330.00	\$2,425.00	\$2,200.00	\$3,236.00
5	\$3,000.00	\$3,750.00	\$2,250.00	\$3,175.00	#N/A	#N/A
6	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
8	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
20	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
All	\$1,485.00	\$1,470.00	\$1,318.00	\$1,600.00	\$1,581.00	\$1,583.50

Summarized Rental Unit Data - Rent Increase Statistics

The majority of rent increases fall under the 10% cap, however almost **6% of covered units report increases above this cap**. These are either registration errors or violations

Units by Rent Increase

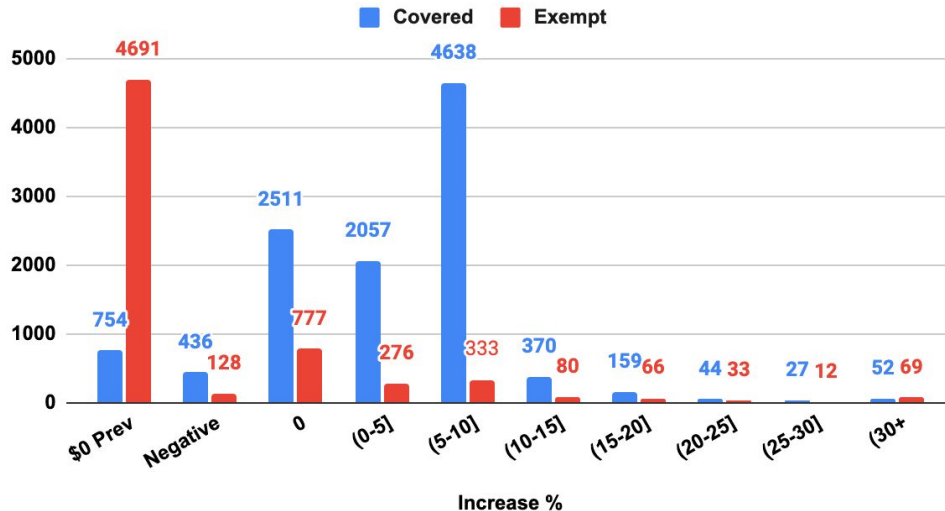


Increase %	Covered		Exempt	
	Count	Percent	Count	Percent
\$0 Prev	754	6.82%	4691	72.56%
Negative	436	3.95%	128	1.98%
0	2511	22.73%	777	12.02%
(0-5]	2057	18.62%	276	4.27%
(5-10]	4638	41.98%	333	5.15%
(10-15]	370	3.35%	80	1.24%
(15-20]	159	1.44%	66	1.02%
(20-25]	44	0.40%	33	0.51%
(25-30]	27	0.24%	12	0.19%
(30+]	52	0.47%	69	1.07%
Totals	11048	100.00%	6465	100.00%

Summarized Rental Unit Data - Rent Increase Statistics

Additionally, **about 11% of covered units report either a \$0 previous rent or a negative rent increase.** Some may be brand new units, however the majority appear to be registration errors.

Units by Rent Increase

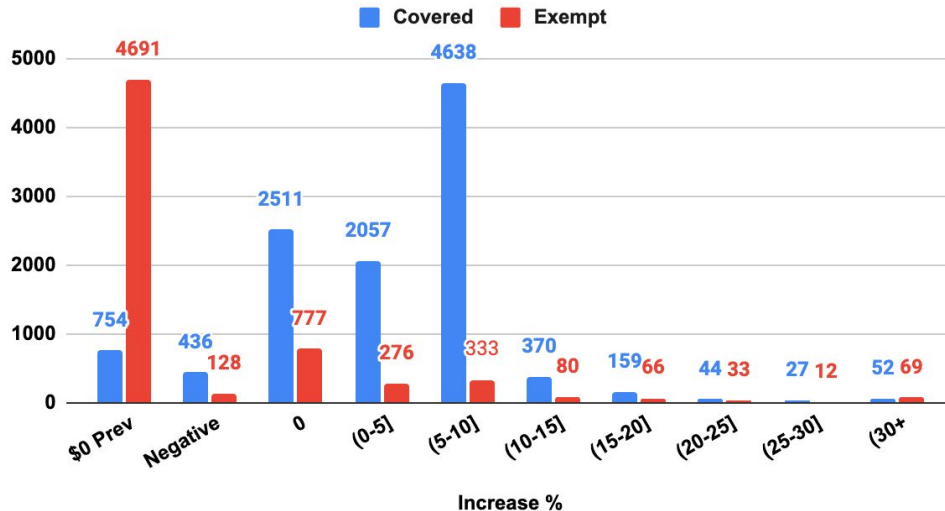


Increase %	Covered		Exempt	
	Count	Percent	Count	Percent
\$0 Prev	754	6.82%	4691	72.56%
Negative	436	3.95%	128	1.98%
0	2511	22.73%	777	12.02%
(0-5]	2057	18.62%	276	4.27%
(5-10]	4638	41.98%	333	5.15%
(10-15]	370	3.35%	80	1.24%
(15-20]	159	1.44%	66	1.02%
(20-25]	44	0.40%	33	0.51%
(25-30]	27	0.24%	12	0.19%
(30+]	52	0.47%	69	1.07%
Totals	11048	100.00%	6465	100.00%

Summarized Rental Unit Data - Rent Increase Statistics

Finally, **almost one quarter of the units in town report no rent increase.** While this would be great, it should be considered with skepticism as it may also represent registration error.

Units by Rent Increase

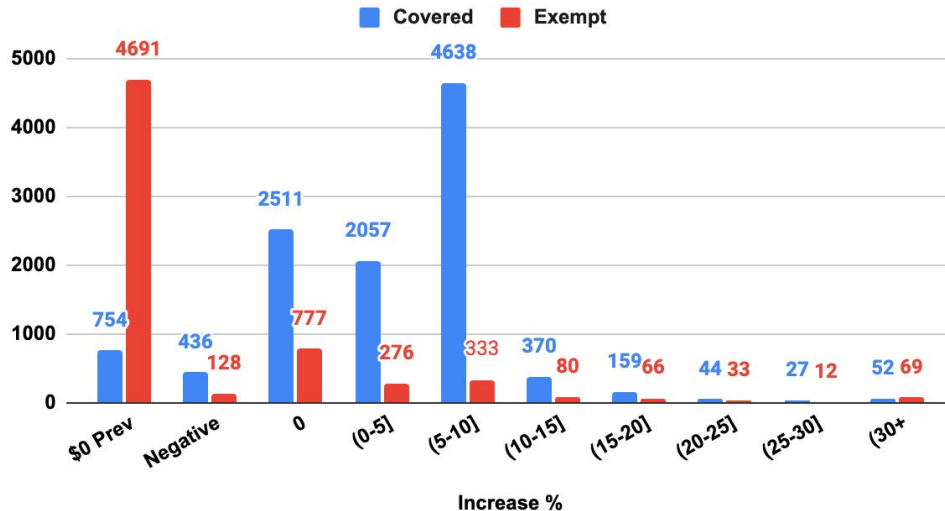


Increase %	Covered		Exempt	
	Count	Percent	Count	Percent
\$0 Prev	754	6.82%	4691	72.56%
Negative	436	3.95%	128	1.98%
0	2511	22.73%	777	12.02%
(0-5]	2057	18.62%	276	4.27%
(5-10]	4638	41.98%	333	5.15%
(10-15]	370	3.35%	80	1.24%
(15-20]	159	1.44%	66	1.02%
(20-25]	44	0.40%	33	0.51%
(25-30]	27	0.24%	12	0.19%
(30+]	52	0.47%	69	1.07%
Totals	11048	100.00%	6465	100.00%

Summarized Rental Unit Data - Rent Increase Statistics

We can't get the median rent increases without first removing the units that had \$0 previous rents (we'd divide by zero)

Units by Rent Increase



	Covered		Exempt	
Increase %	Count	Percent	Count	Percent
\$0 Prev	754	6.82%	4691	72.56%
Negative	436	3.95%	128	1.98%
0	2511	22.73%	777	12.02%
(0-5]	2057	18.62%	276	4.27%
(5-10]	4638	41.98%	333	5.15%
(10-15]	370	3.35%	80	1.24%
(15-20]	159	1.44%	66	1.02%
(20-25]	44	0.40%	33	0.51%
(25-30]	27	0.24%	12	0.19%
(30+]	52	0.47%	69	1.07%
Totals	11048	100.00%	6465	100.00%

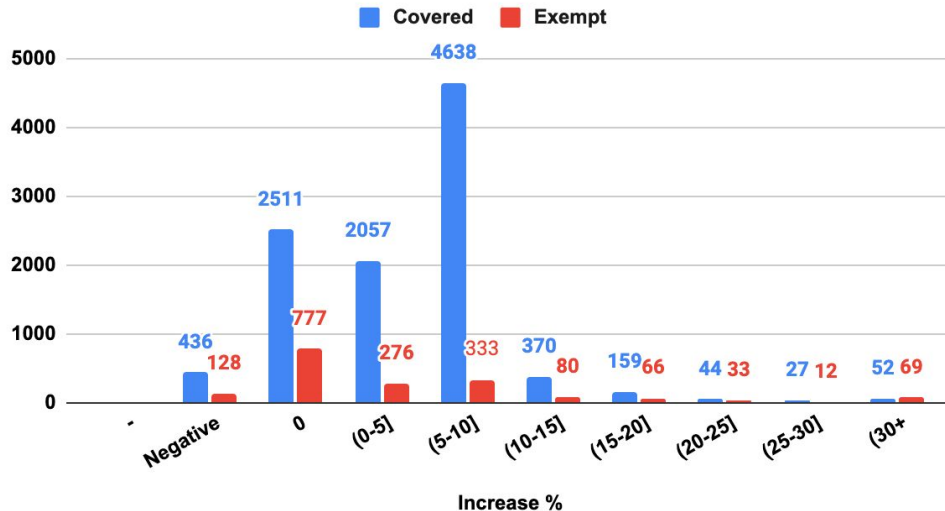
Summarized Rental Unit Data - Rent Increase Statistics

When we take out those \$0 previous rents we find...

Covered Median Rent Increase - **5.26%**

Exempt Median Rent Increase - **0.00%**

Units by Rent Increase



	Covered		Exempt	
Increase %	Count	Percent	Count	Percent
-				
Negative	436	4.24%	128	7.22%
0	2511	24.39%	777	43.80%
(0-5]	2057	19.98%	276	15.56%
(5-10]	4638	45.06%	333	18.77%
(10-15]	370	3.59%	80	4.51%
(15-20]	159	1.54%	66	3.72%
(20-25]	44	0.43%	33	1.86%
(25-30]	27	0.26%	12	0.68%
(30+)	52	0.51%	69	3.89%
Totals	10294	100.00%	1774	100.00%

Because the majority of Exempt units report either a negative or \$0 increase, we have to remove those too

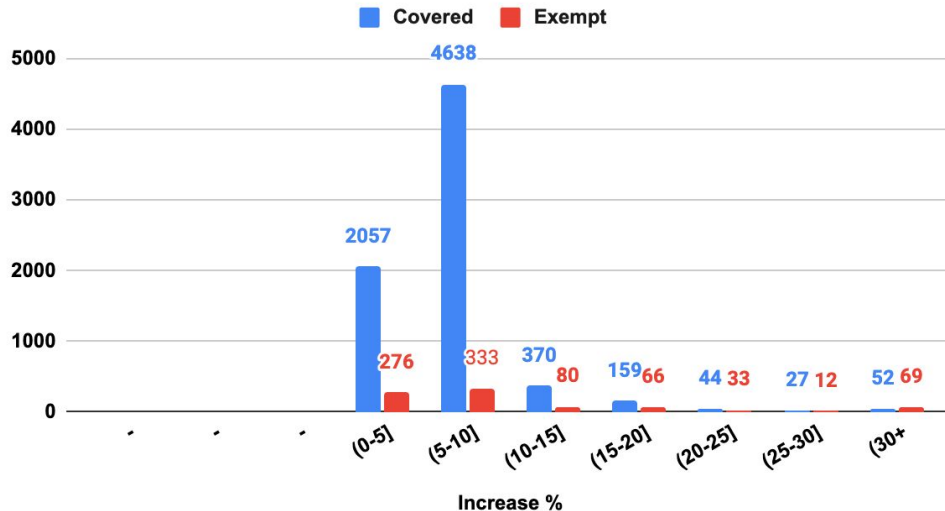
Summarized Rental Unit Data - Rent Increase Statistics

When we look at onyt units with a rent increase...

Covered Median Rent Increase - **6.99%**

Exempt Median Rent Increase - **7.00%**

Units by Rent Increase



	Covered		Exempt	
Increase %	Count	Percent	Count	Percent
-				
-				
-				
(0-5]	2057	28.00%	276	31.76%
(5-10]	4638	63.13%	333	38.32%
(10-15]	370	5.04%	80	9.21%
(15-20]	159	2.16%	66	7.59%
(20-25]	44	0.60%	33	3.80%
(25-30]	27	0.37%	12	1.38%
(30+]	52	0.71%	69	7.94%
Totals	7347	100.00%	869	100.00%

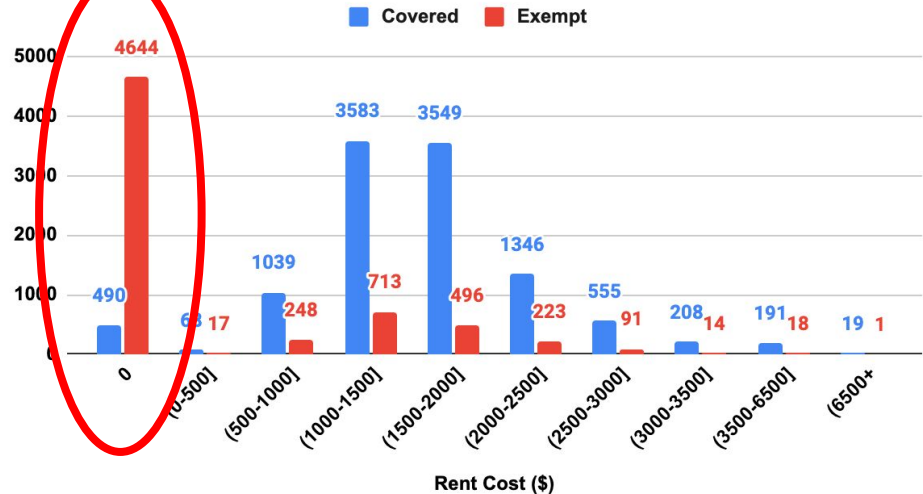
This is a pretty remarkable result -

2023 AIP was 7%, this is either an amazing coincidence or evidence of compliance

Recommendations

- Statistics on Exempt units are not useful, due to the majority of units being reported as \$0 rent.
 - Require Exempt units to report the same as Covered units**
(or the Board should stop trying to compare to Exempts completely)

Units By Rent Cost



Recommendations

- An unreasonable number of units self report non compliance
 - **All registrations reporting non compliance should not be considered registered.** And should be subject to the same deadlines and penalties until compliance is achieved or the reporting is accurate

	Covered		Exempt	
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(30+]	52	0.47%	69	1.07%
Totals	11048	100.00%	6465	100.00%

At a minimum, more than 1/8 of all covered units in town have non compliant rents, or are improperly registered

Recommendations

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 - **All registrations reporting non compliance should not be considered registered.** And should be subject to the same deadlines and penalties until compliance is achieved or the reporting is accurate

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Totals	11048	100.00%	6465	100.00%

At a minimum, more than 1/8 of all covered units in town have non compliant rents, or are improperly registered

Another 1/4 of those units report no rent increase, and suspect. LHSD should assume that true and hold the registrants to that for subsequent years, until audited to verify

Recommendations

- **The city should prepare Rental History Cards for every unit**
 - o After registration, all registered units should have that postcard send to the tenant so that they are aware of what is reported and can contest that information if it is inaccurate

389 Congress #404					
	<u>Rent</u>	<u>Bank</u>	<u>Total</u>	<u>Increases</u>	
June2020	\$1,000.00	\$0.00	\$1,000.00		
				2020 turnover	
				2021 turnover	
Nov 2021	\$1,000.00	\$0.00	\$1,000.00		
				\$50.00 2022 turnover	
				\$43.00 2022 CPI @ 4.3%	
				\$51.30 2022 TRRA	
Nov 2022	\$1,100.00	\$44.30	\$1,144.30		
				2023 turnover	
				\$77.00 2023 CPI @ 7%	
Nov 2023	\$1,210.00	\$11.30	\$1,221.30		
				2024 turnover	
				\$24.20 2024 CPI @ 2%	
Nov 2024	\$1,245.50	\$0.00	\$1,245.50		
				\$50.00 2025 turnover	
				\$31.14 2025 CPI @ 2.5%	
Nov 2025	TBD	TBD	\$1,326.64		

Similar to the cards sent out near election time

Will also help landlords understand how and why they can increase rent, as well as how much banked rent they still have remaining

After units are audited and information is verified would be a great time to prepare these (I would not use previous years' registration info to do so)

Recommendations - Repeated from 2023 Report

In the 2023 report similar things were suggested. That is repeated here for context

Recommendations

The Rent Board does not have a direct role in rental registration or ordinance enforcement. However, the Rent Board does rely on data produced by HSO in order to understand the conditions of the rental market and produce a report for the City Council. In the spirit of open collaboration, the Rent Board suggests the following strategies that could help to address some of the uncertainty in rental registration data moving forward:

1. Offer a public-facing “rental history card” that includes the rent history, reasons for increases, and banked rent amounts. This could facilitate both better tracking of compliance and easier recordkeeping for the registrant.
2. Collect reasons for rent increases applied. For example, provide a checkbox for 5% turnover increase, or an open field for AIP amounts. If possible, programmatically suggest allowed amounts and provide input validation that checks for compliance. This would help the Rent Board better understand what types of rental increases are occurring, assist registrants in confirming their own compliance, and assist staff in identifying registrations that may require follow-up.
3. Configure the registration system to disallow or require an explanation for \$0 rents or rents below a certain threshold. This would help to identify which units genuinely have \$0 rents and which units may be reporting \$0 erroneously or because they are exempt and do not wish to report another amount.
4. Configure the registration system to disallow or require an explanation for increases in excess of 10%. This would help eliminate typos (such as the unit that reported \$16001600 rent this year) and flag issues of genuine non-compliance.
5. Configure the registration system to prepopulate or otherwise assist the registrant in confirming previously-registered base rent amounts. This could eliminate human error resulting in recorded changes to base rent, and assist in recordkeeping for the registrant, particularly in the case of changes in ownership.
6. Provide a digital calculator, preferably as part of the registration system, that automatically calculates allowed increases based on prior registration information and/or manual entry. This could reduce the burden on staff to deal with “How much can I increase rent?” questions.



To: City of Portland Rent Board
From: Zachary Lenhart, Licensing and Housing Safety Manager
Re: Rental Registrations with zero-dollar rents
Date: January 29, 2025

The Licensing and Housing Safety Division would like to provide some clarity to the Rent Board about the occurrence of zero-dollar rents (and other zeroes) that are found throughout the rental data provided to the Rent Board.

Section 6-151(a)(3) describes the information that must be provided for all Residential Rental Registrations. 6-151(f) outlines the “additional information” required for *Covered Units*, as defined by Section 6-232. (*Covered unit* means a Rental Unit within the City of Portland that does not fall within a category exempted from this Article by Section 6-231.) Therefore, exempt rental units are not required by ordinance to provide the additional information. Besides the owner/manager information, exempt units only need to provide which exemption category they are filing.

The software in use by the Licensing and Housing Safety Division does not allow for data fields to remain blank. The current policy is for staff to enter a zero for any data field that was left blank by the applicant. Additionally, applicants applying online are advised to enter zeroes if the unit is exempt. Due to this policy, and the Rent Control Article not applying to exempt units, the Licensing and Housing Safety Division would advise the Rent Board to analyze the rental data of only *Covered Units* in their annual report. Other recommendations made by the Rent Board in previous year’s reports are also unfortunately outside the capability of the current software (e.g. configuring the system to disallow zeroes or increases above 10%, etc.).

Due to the number of units processed by the Licensing and Housing Safety Division it is infeasible for staff to verify every unit is complying before considering the application complete. However, staff does use the provided data to select its audits. Registrations that provide data that appears noncompliant are prioritized for an audit.

If the Rent Board has any additional questions or concerns for the Licensing and Housing Safety Division, the Board can collectively make a request to staff for information. Members can also reach out to staff individually with their questions, and answers would be provided to the entirety of the Board in the next meeting.