



RENT BOARD

December 22, 2021

5:00 PM

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II. Roll Call

III. Minutes

- a. December 1, 2021 Minutes

IV. Communications

- a. Memorandum from Ian McCracken - Re: 12/1/21 Rent Board Decision on 18 Casco Street
- b. Please note: Written public comment must be received two business days prior to the next scheduled Rent Board meeting. These can be emailed to: rentboard@portlandmaine.gov

V. Unfinished Business

- a. Rent Increase Application - Public Comment
Landlord: Paul Taylor
Property Address: 44 Sawyer Street, Unit 1
CBL: 138-A-010-001
Type of Increase: Capital improvement costs

VI. New Business

- a. Rent Increase Application - Public Comment
Landlord: Anita Dore
Property Address: 69 Woodmont Street, Unit 1 & Unit 2
CBL: 080-H-010-001
Type of Increase: Capital improvement costs & increased housing service costs
- b. Update and Discussion - New Process for Drafting and Approving Rent Board Decisions

ADJOURN

Minutes

Remote Rent Board Meeting - Held Via Zoom
Wednesday, December 1, 2021

Start time: 5:02pm

II. Roll Call - 00:00:20

Austin Sims, Homeowner, District 5 - Chair
Barbara Vestal, Landlord, At-Large - Vice Chair
Christopher "Buddy" Moore, Tenant, District 1
Elliott Simpson, Tenant, District 3
Ian McCracken, Landlord, District 4
Elias Kann, Tenant, At-Large

There is one vacancy within the Board, so there are only 6 Board members until filled.

Staff present:

Anne Torregrossa, Corporation Counsel
Katlyn Sawyer, Licensing & Registration Coordinator
Zachary Lenhert Licensing & Housing Safety Manager

III. Minutes - 00:00:44

The Vice Chair moves to accept the minutes as written. Seconded by the Chair. Vote 6-0.

IV. Communications - 00:01:35

A. Written Public Comment (Received late for Prior Meeting)

One of the comments came from Matt Walker. It pertains to an application from Mr Watson that is in tonight's agenda meeting under Unfinished Business.

No further discussion occurred on this item.

B. General Written Public Comment for 12.1.21 Rent Board Meeting - 00:02:10

Matt Walker submitted two comments. Reading the ordinance in such a way that increases of 5% would index against base rent rather than current. The other that urges that the Board use the definition of renovation Sec 6-166 of City Code. The Chair suggests that anyone who is unfamiliar with that, to look up the Code.

No further discussion occurred on this item.

C. Case Update: SMLA et al. Vs The City of Portland - 00:03:55

Anne Torregrossa stated that both parties have agreed to dismiss the appeal, so the lower court's decision is the final word on it. The litigation is over at this point.

SMLA initially challenged this ordinance before any decisions had been issued, before the Rent Board could have been appointed.

SMLA or others can and may challenge the ordinance as applied or in various other ways arising out of some of the decisions that the Rent Board makes.

D. Memo from Corporation Counsel on Renovations - 00:06:00

The Rent Board may consider these factors and any other factor determined relevant in the opinion of the Rent Board.

The two examples given in Sec 6-263 should be considered when determining what is a renovation.

The definition with respect to the Green Building Code is probably too restrictive because a unit that is increased in floor area or addition of upgrade in amenities wouldn't necessarily fall in the definition of renovation.

What falls into a renovation and what falls under a Capital Improvement, are not mutually exclusive.

Anne Torregrossa recommends that the Board look at renovation and reconfiguration as a subset of capital improvement. A higher level of capital improvement, substantial enough to reset the base rent as opposed to a bump in the monthly rate.

V. Unfinished Business - 00:20:28

A. Amended Increased Housing Service Costs Final

The Vice Chair advised that a note should be added at the top of the form where it says "prior year" that says "2020 or after."

Buddy Moore moved to adopt the form with the change listed above. Seconded by the Chair. Vote 6-0.

B. Rent Increase Application - Public Comment - 00:27:20

Landlord: Shepley LLC

Property Address: 18 Casco Street, See attached units

CBL: 037-C-006-001

Type of Increase: Renovation of a unit or Reconfiguration of one or more units

The decision was tabled for this application. The Board has gone through the hearing aspect already and will continue with deliberations at this time.

01:05:28 - The Chair reintroduced his proposal to vote on the application as it stands and in the event it passes we would consider the level of appropriate base rent. Seconded by the Vice Chair.

Vote: 5-1 with the following Board members voting against the motion (Buddy Moore, Elliott Simpson, Elias Kann, Vice Chair, and Chair)

The application is not accepted.

Ian McCracken will provide a written response for his vote.

VI. New Business - 01:10:50

A. Rent Increase Application - Public Comment

Landlord: MAS Assets LLC

Property Address: 1060 Forest Ave, 1st & 2nd Floor units

CBL: 146-B-012-001

Type of Increase:

Renovation of a unit or Reconfiguration of one or more units

Capital improvement costs, including financing costs

The Landlord was not present at the time of the agenda item. The Board will move onto the next agenda item.

02:34:35 - The Board returned to this agenda item towards the end of the meeting. There was no success in

02:46:54 - The Board tried on multiple occasions to connect with the applicant. It seems the applicant was having issues connecting into the meeting.

B. Rent Increase Application - Public Comment - 01:11:50

Landlord: Anadilya Properties LLC

Property Address: 21 Pleasant Street, Unit 2

CBL: 038-E-024-001

Type of Increase:

Renovation of a unit or Reconfiguration of one or more units

Capital improvement costs, including financing costs

There are no objectors and no tenants have spoken as the unit is vacant.

Public comment was taken and then addressed by Zachary Lenhert, Licensing and Housing Safety Manager.

The Chair asked the applicant if in the event the Board were locked on Renovation, would she be interested in considering the same under Capital Improvement. The applicant said yes.

01:59:03 - Motion was made by the Vice Chair that the Board approves this as a renovation and agree to set new base rent at \$1,400.00.

02:02:15 - Ian McCracken moves that the Board approves the application as a renovation to allow for an adjustment in base rent. The way in which the Board sets the base rent is based on a 5 year amortization schedule of \$16,250, which comes to \$270.83 a month. This would be a one time base rent reset.

-The Vice Chair redrew her motion earlier, and seconds Ian's motion.

-This would mean that the new base rent would be set at \$1,170.83 a month (rounded up to \$1,171.00), which could be taken now without the 10% cap per year.

-Vote: 6-0

C. Rent Increase Application - Public Comment - 02:05:33

Landlord: Paul Taylor

Property Address: 44 Sawyer Street, Unit 1

CBL: 138-A-010-001

Type of Increase:

Renovation of a unit or Reconfiguration of one or more units

Increased housing service costs

There are no objectors and no tenants have spoken as the unit is vacant.

Public comment was taken.

02:29:50 - A proposal was made by the Chair that the Board could make a judgement based on what is in front of them with the invitation to reapply with the other information detailed knowing rent can only be increased once per year or offer that that the applicant reapplies and the Board considers the entire case with the additional information requested.

The applicant would prefer to reapply and come back before the Board.

The applicant can provide documentation noting labor, costs, etc 2 years back that was done on the property. And that he should reapply as a capital improvement cost, not renovation.

02:37:33 - The Board returns to the Decision Forms presented by Anne Torregrossa for any suggested edits and a vote.

The first Decision Form was for 18 Casco Street, with no edits necessary. Vote: 6-0.

Ian McCracken will be submitting his additional language which will be added as a communication agenda item for the next Rent Board meeting

The second Decision Form was for 21 Pleasant Street, with one edit. Vote: 6-0.

VII. Adjourn - 02:51:20

Meeting end time: 7:51pm

MEMORANDUM

TO: Rent Board

FROM: Ian McCracken, District 4

DATE: December 15th, 2021

RE: Rent Board's 12/1/21 Decision on 18 Casco Street Application

Background

During the last Rent board meeting on December 1st 2021, the board voted on an application from Shepley, LL on 18 Casco St. the application was for a rent increase based on Renovation or reconfiguration (6-233(c)), Capital Improvements (6-234(b)(5)(a)), Uninsured repairs (6-234(b)(5)(b)), housing service costs (6-234(b)(5)(c)), and fair rate of return (6-234(b)(5)(d)). The board voted to decline the application, as is, on a 5(no)-1(yes) vote.

Decision

As the sole board member that voted YES on the above-mentioned application, I wanted to clearly state the reason. The Portland Rent control ordinance, section 6-233(c), allows for a base rent change based on "renovation or reconfiguration". As I saw it, the proposed changes to the 18 Casco Street building constituted a renovation. I recommend the board and its members think carefully on how it defines renovation vs capital improvement. It seems to be a very subjective topic that will impact the future of board decisions and its applicants.

6-233(c) "Base rent following renovation or reconfiguration of Covered Units. Upon the renovation or reconfiguration of a Covered Unit, the Landlord may charge no more than the Banked Rent for that unit, or may apply to the Rent Board for determination of the appropriate increase in rent. When determining the appropriate increase in rent, the Rent Board may consider factors including the increase in floor area, the addition or upgrade of amenities, and any other factor determined relevant in the opinion of the Rent Board"

Ian M

CITY OF PORTLAND
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

Date of Hearing:

Wednesday, December 1, 2021 and Wednesday, December 22, 2021

Landlord Name and Address:

Paul Taylor
10 Wolf Creek Dr
Windham, ME 04062

Owner Name and Address:

Same as above

Property Address, Unit, and CBL:

44 Sawyer Street, Unit 1
138-A-010-001

Tenants/Interested Parties:

Vacant

Type of Request:

Capital improvement costs, including financing costs (6-234(b)(5)(a))

Base Rent:

\$1,600.00

Current Rent:

Vacant

Proposed Rent:

\$2,200.00

Number of bedroom/bathroom:

3 bed/1 bath

Summary of request:

The Landlord states that when the unit became vacant, the hardwood floors were done, repainted all rooms, put in a new refrigerator, dishwasher, microwave, and carpet on the stairways.

CITY OF PORTLAND
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

During the December 1, 2021 Rent Board Meeting - the Landlord stated that he did all of his own labor for the repairs, maintenance, and improvements for this property. The Board asked for him to provide receipts for all work done within 2 years and to provide a record of self-labor hours.

Receipts that were provided from the original application request were:

Removal and disposal of 2 oil tanks	\$350.00
Hardwood Floor	\$2,200.00
Misc receipts totaling	\$1,834.62
Home Depot	
USPS	
Maine Hardware	
Aubuchon	
Riverside Recycling	
Etc	
Total	\$4,384.62

**Please note: there was a clerical error on the summary for the last meeting that said the grand total was \$6,219.24

New receipts that were provided for maintenance, repair, landscaping, etc

Tractor Supply	
Home Depot	
Lowe's	
Aubuchon Hardware	
Western Maine Supply Company	
S.P. Plumbing & Heating	
207 Plumbing & Heating	
Total	\$9,835.49

Grand Total	\$14,220.11
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The Landlord also provided self-labor hours by each month for 2020 and 2021.
2020 - 410 personal labor hours at \$40 per hour
2021 - 508 personal labor hours at \$40 per hour

CITY OF PORTLAND
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

Date of Hearing:

Wednesday, December 22, 2021

Landlord Name and Address:

Anita S Dore

25 Rue Wurth-Paquet

Luxembourg City, Luxembourg L-2737

Owner Name and Address:

Same as above

Property Address, Unit, and CBL:

69 Woodmont Street, Unit 1 & 2

CBL: 080-H-010-001

Tenants/Interested Parties:

Both units listed

Type of Request:

Capital improvement costs, including financing costs (6-234(b)(5)(a))

Increase housing service costs (6-234(b)(5)(c))

Base Rent:

See attached

Current Rent:

See attached

Proposed Rent:

See attached

Number of bedroom/bathroom:

See attached

CITY OF PORTLAND
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

Summary of request:

The Landlord had initially applied as an Increased Housing Service Costs, but thought it might fall under more of a Capital Improvement Cost increase. So both worksheets have been filled out and submitted.

A proposal has been submitted in the amount of \$30,362.24 that covers the repair of shingles, soffits, and painting for the exterior of the house and garage.

69 Woodmont Street					
Unit #	Base Rent	Current Rent	Proposed Rent	Number of Bedrooms	Number of Bathrooms
1	\$1,700.00	\$1,770.00	\$1,900.00	2	1
2	\$1,800.00	\$1,875.00	\$1,900.00	2	1