



RENT BOARD

March 23, 2022

5:00 PM

ZOOM INFORMATION:

This meeting will take place remotely using Zoom.

This meeting will be held remotely pursuant to the Remote Meeting Policy adopted by the Rent Board and as authorized under 1 M.R.S. 403-B because of the existence of an emergency or urgent issue that requires the committee to meet by remote methods. Allow your computer to install the free Zoom app to get the best meeting experience. If you are not able to attend live, a recording will be available in the [Agenda Center](#) following the meeting.

For public comment, you will need to use the "raise your hand" feature. To raise your hand via the telephone, please hit *9. You will be unmuted by the host when it is time for public comment.

Please click the link below to join the webinar:

<https://portlandmaine-gov.zoom.us/j/82339838139?pwd=OHdNWGZmRmJIREQ4VIJKMUh0MjVtUT09>

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ROLL CALL:

APPROVAL OF MINUTES

February 23, 2022 Minutes

COMMUNICATIONS:

Please note: Written Public Comment can be submitted two business days prior to the next scheduled Rent Board Meeting. These can be emailed to rentboard@portlandmaine.gov.. Please reference Public Comment in the subject line.

Written Public Comments

UNFINISHED BUSINESS:

Rent Increase Application - Public Comment
Landlord: Daniel Vallee
Property Address: 89 Irving St, Unit 1 & 2
CBL: 137-J-002-001
Type of Increase: Increased Housing Service Costs

NEW BUSINESS

Rent Increase Application - Public Comment
Landlord: Victoria Poole
Property Address: 90 Westminster Ave
CBL: 181-B-007-001
Type of Increase: Fair Rate of Return

Rent Increase Application - Public Comment
Landlord: Sherman Street Properties LLC
Property Address: 123 Sherman St, Units 01 through 13
CBL: 048-C-020-001
Type of Increase: Increased Housing Service Costs

ADJOURN

Minutes

Remote Rent Board Meeting - Held Via Zoom
Wednesday, February 23, 2022

Start time: 5:03pm

II. Roll Call - 00:00:15

Austin Sims, Homeowner, District 5 - Chair (absent)
Barbara Vestal, Landlord, At-Large - Vice Chair
Christopher "Buddy" Moore, Tenant, District 1
Josef Kijewski, Homeowner, District 2
Elliott Simpson, Tenant, District 3
Ian McCracken, Landlord, District 4 (arrived late)
Elias Kann, Tenant, At-Large (arrived late)

Staff present:

Anne Torregrossa
Katlyn Sawyer, Licensing & Registration Coordinator
Jessica Hanscombe, Director of Permitting & Inspections

III. Minutes - 00:02:08

Josef Kijewski makes a motion to approve the minutes as written, seconded by Buddy Moore.
Vote: 4-0 (The Chair, Ian, and Elias are absent)

IV. Communications - 00:03:02

A. Written Public Comment

One comment was submitted regarding 655 Congress Street.

V. Unfinished Business - 00:03:17

A. Rent Increase Appeal Decision Form - 655 Congress St

The Board made edits throughout the document and then voted on it as a whole at the end.

Ian McCracken joined the meeting during this discussion.

00:28:42 Elliott Simpson makes a motion to accept the decision form as amended, seconded by Buddy Moore. Vote: 5-0 (The Chair & Elias are absent)

Minutes

B. Rent Increase Application Decision Forms (2) - 00:29:42 69 Woodmont St

The Decision Form was drafted by Buddy Moore.
Some edits were made to the form.

Elias Kann joined the meeting during this discussion.

00:48:45 Ian McCracken makes a motion to accept the document as amended, seconded by Elliott Simpson. Vote: 6-0 (The Chair is absent)

179 Capisic St - 00:50:34

The Decision Form was drafted by Buddy Moore.
Some edits were made to the form.

00:57:43 Elias Kann makes a motion to accept the document as amended, seconded by Buddy Moore. Vote: 6-0 (The Chair is absent)

C. Rent Increase Application - Public Comment - 00:58:12 Landlord: Aaron Svedlow, North Light Energy Land Holdings LLC Property Address: 68 Walton St, Units 2-5 CBL: 138-D-006-001 Type of Increase: Fair rate of Return

There were no witnesses and no tenants spoke as objectors.
No public comment was taken.

01:24:43 Elias Kann makes a motion to accept the numbers as requested based on the reasonableness of the request and the presumed increase of debt service costs, seconded by Ian McCracken. Vote: 6-0 (The Chair is absent)

VI. New Business - 01:27:30

A. Rent Increase Application - Public Comment Landlord: Daniel Vallee Property Address: 89 Irving St, Unit 1 & 2 CBL: 137-J-002-001 Type of Increase: Increased housing service costs

There were no witnesses and no tenants spoke as objectors.
No public comment was taken.

Minutes

Barbara Vestal, Acting Chair, made a note that the Housing Service Cost worksheet that he had filled out was not the most updated version. Buddy Moore will work on sending that to the Housing Safety Office.

However, the Landlord would still be okay to use the form submitted if he has not received it in a timely manner.

The Board discussed having the Landlord come back to the next meeting with additional documents to better support his rent increase request. These documents would include:

- More detail about the contract, what happens at the end of ten years
- If he had bought the units outright instead of having them as rented with a service contract, what the charge would have been for purchasing outright
- In the worksheet it asks for several other items such as insurance and appliances, but the Board would like for him to fill out the entire worksheet
- The driveway invoice that was submitted late

The next meeting would be March 23rd, with the deadline to submit 2 weeks prior on March 9th.

02:03:53 Elias Kann makes a motion to table this application and allow the Landlord to revise it to include the additional increase of the driveway which was not submitted in time. To request that he completely fill out the Housing Service Costs worksheet and include additional information about the contract for the boilers, and any other information that could be useful for the Board to determine how to adjudicate it. Seconded by Elliott Simpson. Vote: 6-0 (The Chair is absent).

02:07:41 The Board returns to the decision form for 68 Walton Street.

This was drafted by Ian McCracken.
Some edits were made to the form.

02:12:35 Elliott Simpson makes a motion to accept the document as currently written, seconded by Ian McCracken. Vote: 6-0 (The Chair is absent).

02:15:05 Elias Kann makes a motion to adjourn, seconded by Ian McCracken. Vote: 6-0 (The Chair is absent)

VII. Adjourn

Meeting end time: 7:18pm

The application says that the total increase in housing costs is **\$1,216.88**.

And for this, the landlord wants to raise rent by 10% on two units, a total increase of **\$290.00** per month, and a total of **\$3480.00** per year.

This is almost three times the increase in costs and is unreasonably high to cover this alleged increase in cost.

Seeing as the current total rent collected is **\$2,900** an increase of rent by **3.50%** would exactly cover this.

This number is surprisingly close to the allowed CPI increase of 4.3%, and it does make me wonder if this increase in housing cost was not already or could otherwise be captured as a CPI increase.

First, let's assume all of the numbers presented in Port Property's registration information are accurate, and begin with the total increase in housing costs claimed by them.

They say the total increase in their cost was **\$9,681.96 per year**.

The total increase they are proposing, however, represents an exactly 10% increase of \$1803.20 per month and an increase of **\$21,638.40 per year**. Their request is unreasonably high to cover this alleged increase in cost.

Seeing as the current total rent collected is **\$18,032.00**, an increase of rent by **4.47%** would exactly cover this.

This number is surprisingly close to the allowed CPI increase of 4.3%, and it does make me wonder if this increase in housing cost was not already or could otherwise be captured as a CPI increase.

I would also like to bring my concerns about the registrations of these units.

I have been collecting the rents as advertised on the Port Property website and they, in many cases, do not align with what was presented to the HSO or the Rent Board. I will address these individually.

All of the information is collected using the PPM sitemaps

<https://www.portproperty.com/property-sitemap1.xml> and <https://www.portproperty.com/property-sitemap2.xml>
cross referenced against the HSO provided rent registrations and the numbers reported today.

Link to Ad	Notes
<u>Unit 1</u>	No issues detected
<u>Unit 2</u>	The rent has been advertised as \$1250 since at least 2021, and likely before, however the base is reported at \$1285. At what point did the rent increase to this level? A confirmation that this occurred before Jun2020 is necessary.
<u>Unit 3</u>	This unit was apparently listed and rerented on or after Mar 11 2022 at \$1650, yet they report \$1500
<u>Unit 4</u>	This unit was apparently listed and rerented on or after Jan 12 2022 at \$1568, yet they report \$1425
<u>Unit 5</u>	Advert has rent at \$1337, a 7% increase of base. Was this a turnover capped at 5%? Was this corrected? How long was the tenant overcharged? How much was the tenant refunded? Has HSO confirmed this?
<u>Unit 6</u>	The advertised rent on this unit was \$1250 in Sept 2021, yet the base and current rent are reported at \$1275. Why the difference? Furthermore, the ad was updated in Mar 2022 with the rent of \$1542, and is as yet unavailable. Was it rented by someone who is moving in or around Apr 6th at \$1542? This is more than 10% already.
<u>Unit 7</u>	No issues detected
<u>Unit 8</u>	The rent here has been \$1550 since Mar 2021 or before, but only \$1390 is reported. Why?
<u>Unit 9</u>	No Issues detected
<u>Unit 10</u>	If this unit is indeed subsidized, it should be confirmed. Why is the base rent \$680 more than current?
<u>Unit 11</u>	No issues detected
<u>Unit 12</u>	No issues detected
<u>Unit 13</u>	Advert has rent at \$1375, a 7% increase of base. Was this a turnover capped at 5%? Was this corrected? How long was the tenant overcharged? How much was the tenant refunded? Has HSO confirmed this?

These findings are outlined in this spreadsheet for any interested parties 123 sherman Rent Board

As can be seen in the above, more than half of the units have concerning discrepancies in the registration information reported in 2021, reported today in this meeting, and as recorded in their advertisement history.

I hope the Rent Board will ensure that any additional information provided by Port Property includes dated cashed checks which can confirm the rental rates, otherwise HSO should request these documents and the records corrected before this proposal be fully considered.

CITY OF PORTLAND
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

Date of Hearing:

Wednesday, February 23, 2022 - Tabled to March 23, 2022

Landlord Name and Address:

Daniel M Vallee
304 Brookline St
Needham, MA 02492

Owner Name and Address:

Same as above

Property Address, Unit, and CBL:

89 Irving St, Unit 1 & 2
137-J-002-001

Tenants/Interested Parties:

Both units listed above

Type of Request:

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

Base Rent, Current rent, Proposed Rent, and Number of Bedroom/Bathroom:

See attached

Summary of request:

The Landlord has amended his initial application and submitted a revised Increased Housing Service Cost worksheet. His total in the base year (2020) was \$10,134.54, while his total in the comparison year (2021) was \$11,351.42. The difference in costs is \$1,216.88.

Backup documentation that was submitted includes:

- Receipt for a new washer machine in March 2021
- Receipt for a furnace service in August 2021
- A quote from Dayton Sand & Gravel for paving of the driveway that will be done in the Spring/Summer 2022
- A lease service contract for the boilers, showing a monthly payment of \$304.37 to reflect payment receipts previously submitted

89 IRVING ST					
Unit #	Base Rent	Current Rent	Proposed Rent	Number of Bedrooms	Number of Bathrooms
1	\$1,100.00	\$1,100.00	\$1,210.00	1	1
2	\$1,800.00	\$1,800.00	\$1,980.00	4	2

CITY OF PORTLAND
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

Date of Hearing:

Wednesday, March 23, 2022

Landlord Name and Address:

Victoria Poole

64 Kingsmark Ln

Portland, ME 04102

Owner Name and Address:

Same as above

Property Address, Unit, and CBL:

90 Westminster Ave

CBL: 181-B-007-001

Tenants/Interested Parties:

Yes

Type of Request:

Fair rate of return (6-234(b)(5)(d))

Base Rent, Current Rent, Proposed Rent, and Number of Bedroom/Bathroom:

See attached

Summary of request:

The Landlord has submitted the following backup documentation to support the request for a fair rate of return -

- A floor plan showing the square footage and layout of the property
- Rent information on comparable units in the vicinity of the unit in question
- Financial information reflecting the operating expenses for 2021

90 Westminster Ave					
Unit #	Base Rent	Current Rent	Proposed Rent	Number of Bedrooms	Number of Bathrooms
Single Family Home	\$1,300.00	\$1,350.00	\$2,000.00	2	1

CITY OF PORTLAND
LANDLORD APPLICATION FOR RENT INCREASE SUMMARY

Date of Hearing:

Wednesday, March 23, 2022

Landlord Name and Address:

Sherman Street Properties LLC
82 Hanover St, Ste 5
Portland, ME 04101

Owner Name and Address:

Same as above

Landlord's Representative:

David Bergeron, Manager Rep
Port Property Management
82 Hanover St, Ste 5
Portland, ME 04101

Property Address, Unit, and CBL:

123 Sherman St, Units 01 through 13.
CBL: 048-C-020-001

Tenants/Interested Parties:

All units listed above

Type of Request:

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

Base Rent, Current Rent, Proposed Rent, and Number of Bedroom/Bathroom:

See attached

Summary of request:

Based on what was submitted within the worksheet, the total costs in the base year (2020) were \$73,538.92, whereas the total costs in the comparison year (2021) were \$83,220.88. This is an increase of \$9,681.96.

Backup documentation that was submitted includes:

- a financial statement reflecting a comparison of operating expenses
- a detailed table "line item legend" explaining the various expenses and how it aligns with the methods used on the allowance form
- several hundred pages of invoices, receipts, and canceled checks

123 Sherman Street						
Unit #	Exemption	Base Rent	Current Rent	Proposed Rent	Number of Bedrooms	Number of Bathrooms
1		\$1,600.00	\$1,600.00	\$1,760.00	2	1
2		\$1,285.00	\$1,285.00	\$1,413.50	2	1
3		\$1,500.00	\$1,500.00	\$1,650.00	2	1
4		\$1,425.00	\$1,425.00	\$1,567.50	2	1
5		\$1,250.00	\$1,313.00	\$1,444.30	2	1
6		\$1,275.00	\$1,275.00	\$1,402.50	2	1
7		\$1,500.00	\$1,500.00	\$1,650.00	2	1
8		\$1,390.00	\$1,390.00	\$1,529.00	2	1
9		\$1,575.00	\$1,575.00	\$1,732.50	2	1
10	Publicly rent-controlled or subsidized	\$1,600.00	\$920.00	\$1,012.00	2	1
11		\$1,400.00	\$1,400.00	\$1,540.00	2	1
12		\$1,500.00	\$1,500.00	\$1,650.00	2	1
13		\$1,285.00	\$1,349.00	\$1,483.90	2	1