



RENT BOARD

April 20, 2022

5:00 PM

ZOOM INFORMATION:

Please click the link below to join the webinar:

<https://portlandmaine->

[gov.zoom.us/j/89146796567?pwd=Q2pHQ0lxcTN4NUNUaEI0T1EvNC9sUT09](https://portlandmaine-gov.zoom.us/j/89146796567?pwd=Q2pHQ0lxcTN4NUNUaEI0T1EvNC9sUT09)

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ROLL CALL:

APPROVAL OF MINUTES

March 23, 2022 Minutes

COMMUNICATIONS:

Memo from Housing Safety Office

EXECUTIVE SESSION

The Board will go into Executive Session pursuant to 1 M.R.S. 405(6)(E) to consult with its attorney regarding its legal rights and duties with respect to the Board's general approach to procedural requirements for Rent Board meetings, submission requirements for applications, and methodology for calculating permissible rent increases.

UNFINISHED BUSINESS:

NEW BUSINESS

This is a special meeting (workshop) - to further discuss methodologies for a Fair Rate of Return.

ADJOURN

Minutes

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

Start time: 5:03pm

II. Roll Call - 00:00:40

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 (absent)
Elliott Simpson, Tenant, District 3
Ian McCracken, Landlord, District 4
Elias Kann, Tenant, At-Large (absent)

Staff present:

Jen Thompson, Acting Corporation Counsel
Katlyn Sawyer, Licensing & Registration Coordinator
Zachary Lenhert Licensing & Housing Safety Manager

III. Minutes - 00:01:01

Elliott Simpson makes a motion to accept the minutes as written, seconded by Ian McCracken.
Vote: 4-0 (3 members are absent).

IV. Communications -

A. Written Public Comment

This item was not discussed.

V. Unfinished Business - 00:02:35

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

This item was tabled from the last meeting on 2/23/22.

No tenants spoke as objectors.

Public comment was taken from one member of the public.

00:24:15 Acting Chair, Barbara Vestal, asked Mr Vallee for his approval that the Board look at his rent increase request as a Capital Improvement Cost rather than an Increased Housing Service Cost. Mr Vallee confirmed that was okay.

00:38:12 Ian McCracken makes a motion to approve a \$377.96 rent increase to be subject to the ten percent maximum yearly allotment based on capital improvements made by Mr Vallee. This will be divided between Unit 1 and Unit 2 with a note that the washer is specific to unit 2. The total amount of rent increase for Unit 1 would be \$182.84 and Unit 2 would be \$195.13.

Seconded by Elliott Simpson. Vote: 4-0 (3 members are absent).

VI. New Business - 00:43:09

A. 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

No tenants spoke as objectors.

No public comment was taken.

The Acting Chair sought advice on how to proceed with the methodology for determining a fair rate of return from Jen Thompson, Acting Corporation Counsel. After some discussion, it was suggested that this application be tabled until the Board has agreed upon and adopted a methodology that allows the applicant to review and prepare with appropriate notice.

Additional questions were raised to Jen, in which she had suggested that if the questions are in regards to how the Board will apply the ordinance broadly and how the Board will interpret and apply in this case - that those questions are for use of an Executive Session at another time.

Board members discussed having a special meeting before the next regularly scheduled Rent Board meeting on 4/27/22. This special meeting would act as a workshop to discuss the methodologies for a Fair Rate of Return. The Board suggested Wednesday, April 20th as the special meeting. Jen Thompson, Acting Corporation Counsel will not be available for that meeting, however, our new attorney (who replaced Anne Torregrossa) Kari will be present.

Board members requested that Ms Poole solidify the expense part of the calculation that was on the sheet, to make sure everything is captured as an operating expense in the event the Board decides to go with the cap rate for a methodology. She could also provide a couple more comparable units if there are any. It was also suggested that she may also use an operating

expense worksheet, such as the Housing Service costs that lists all of the expense elements in order to flush out the operating expenses.

01:19:16 - Elliott Simpson makes a motion that the Board tables this item to the April 27th Rent Board meeting and that the Rent Board has their workshop on April 20th. Seconded by Ian McCracken. Vote: 4-0 (3 members absent).

B. Rent Increase Application - Public Comment - 01:31:42

Landlord: Sherman Street Properties LLC

Landlord's Representative: David Bergeron, Manager Rep

Property Address: 123 Sherman St, Units 01 through 13

CBL: 048-C-020-001

Type of Increase: Increased Housing Service Costs

No tenants spoke as objectors.

Public comments were taken from two members of the public.

Mr Bergeron addressed the public comments made.

02:07:46 - Ian McCracken makes a motion to accept the request for \$4,049.04 which is the requested amount minus the tax. That would be an increase of \$25.96 per month, per unit. Seconded by Elliott Simpson. Vote: 3-1 (3 members were absent and Buddy Moore voted against the motion). This fails to pass as it takes 4 affirmative votes to pass.

02:11:32 - Elliott Simpson makes a motion that this item comes back as Unfinished Business at the next Rent Board meeting on 4/27, seconded by Ian McCracken. Vote: 4-0 This will be the second item listed under Unfinished Business.

Buddy Moore requested the applicant submit a year to year comparison of net operating income.

Ian McCracken would like to make a note that the Board already covered Professional Costs in "other" and the tax piece.

It was also requested that the applicant resubmits the page that allocates the costs with the tax removed.

02:15:22 The Board returns to the decision form for 89 Irving St.

This was drafted by Elliott Simpson.

Several edits were made to the form by the Board.

02:34:26 - Ian McCracken makes a motion to approve the decision form as written, seconded by Elliott Simpson. Vote: 4-0 (3 members are absent).

VII. Adjourn - 02:37:55

Meeting end time: 7:41pm



CITY OF PORTLAND
Permitting and Inspections Department

To: City of Portland Rentboard
From: Zachary J. Lenhert, Business Licensing and Housing Safety Manager
Date: April 15, 2022
Re: Providing Clarity in the Application Process

Business Licensing and Housing Safety Office believes more clarity is needed from the Rentboard in regard to the application process. There is a lot of confusion from landlords on what they are applying for and exactly which completed forms and documents need to be submitted. Staff spends a lot of time attempting to provide guidance but run into many situations where it's difficult to do so. The Business Licensing and Housing Safety Office recommends the Rentboard consider amending its application forms to make the process easier for landlords and staff. Please see the recommendations below:

- Completed applications need to be submitted to the Business Licensing and Housing Safety Office three weeks prior to a meeting. Staff needs time to review the applications, send notices to tenants, prepare the meeting agenda. This is the same deadline as Liquor License Applications. Effective for the scheduled May meeting.
- Provide checklists of required forms and back-up documentation for applications to the Rentboard.
- Require applicants to provide a summary of their request(s). Often landlords apply for multiple increases and it's difficult for staff to prepare the material for the agenda.
- Remove unnecessary and duplicative information requests from the applications. Example: The information about exempt status; if they are exempt they won't ever be applying to the Rentboard.
- Consider a cover sheet that would explain instructions.

The Business Licensing and Housing Safety Office is happy to work with the Rentboard to make this process easier for everyone. The City of Portland Liquor License Application is attached as an example of the cover sheet and checklists. Please let us know any other ways we can assist.

Thank you,
Zachary J. Lenhert
City of Portland
Business Licensing and Housing Safety Manager

Attached: City of Portland Liquor License Application



CITY OF PORTLAND
Permitting and Inspections Department
Liquor License Application Process

What is Needed to Apply:

- ☐ Letter of intent addressed to the Mayor and Members of the City Council
- ☐ 8 ½" x 11" diagram showing layout of the premises
- ☐ City application for food & alcohol
- ☐ City application for entertainment (if applicable)
- ☐ State application for alcohol (including Corporate Supplement, if applicable)
- ☐ Outdoor Dining application (if applicable)
- ☐ Menu
- ☐ Purchase & Sale, Lease Agreement, Berthing Agreement (Vessels), or Non-Renewal Notification from previous owner (if applicable)
- ☐ Payment of fees (see fee schedule): New application, Health Inspection, Criminal History Check, License Fees and Legal Advertisement deposit

The application must be complete in order to be accepted and processed.

Applications must be submitted at least four (4) weeks prior to the Council meeting. There will be NO liquor applications heard by the City Council in the month of May due to fiscal budget items.

Before you submit your application to the Business Licensing Office:

- Call the Department of Liquor Licensing in Augusta at 207-624-7220. They will tell you which class of liquor license you should apply for based on your business model. If you do not do this and you apply for the wrong license, it could delay the opening of your establishment.
- Contact the Portland Zoning/Code Enforcement office at 207-874-8703 to determine if your business address is zoned for use as a restaurant.
- If you wish to have entertainment and/or dancing at your establishment in the Downtown District Overlay Zone (primarily the Old Port), let us know. We will determine if your business is eligible for an entertainment/dance license.

After you submit your application to the Business Licensing Office:

- We will mail you a letter confirming the date, time, and location of the City Council meeting.
- We do not recommend scheduling inspections until after you have appeared before City Council in the event that the license is denied. If you have questions for inspectors, please find their numbers on the accompanying page.

After you have been approved by City Council:

- The Director will sign your State application for alcohol. We will call you to pick it up as soon as it is available after the meeting. You are responsible for mailing the application with payment to the Dept. of Liquor Licensing.
- Proceed with arranging for inspections as your establishment is ready.
- When the Business Licensing Office has received all approvals from the required departments, we will issue your license. We will call you when the license is ready and any remaining balance is due. You may contact us for a license status update, **but please note that we must receive approvals directly from all departments on the accompanying "Steps to Approval" sheet before issuing your license.**