



Town of North Reading
Massachusetts

Public Services Administration

DECISION
NORTH READING MOBILE HOME RENT CONTROL BOARD

Re: Petition for General Rent Adjustment
Facility: Perry’s Trailer Park, 142 Main Street, North Reading
Applicant: 142 Main Realty, LLC
cc: Robert Kraus, Kraus & Hummel LLP

Procedural History

This proceeding arises under the Town’s Mobile Home Rent Control Board By-law (“the By-law”) and the Board’s Regulations (“Regulations”). The proceedings were conducted under the By-law, Section 3, and the Regulations, Sections 7, 8, and 10. The Board followed the informal rules under 801 CMR 1.00.

On June 21, 2022, 142 Main Realty, LLC (“Petitioner”), as owner of the Mobile Home Park known as Perry’s Park, and located at 142 Main Street, North Reading (the “Park”), filed a Petition for Rent Adjustment (the “Petition”) with the Town of North Reading Mobile Home Rent Control Board (“Board”), pursuant to the Town of North Reading Rent Control Bylaw and the Board’s Rules and Regulations, requesting a general rent adjustment increase for all mobile home accommodations in the Park.

A public hearing on the Petition was held on September 19, October 19, November 9 and December 8, 2022 virtually by Zoom conference for all meetings, and hybrid with in-person option at Town Hall for the latter three dates. Notice of the public hearing was published September 1, 8, and 29th in the *North Reading Transcript* and mailed by regular mail to all residents of the mobile home park, and posted to the town website and on a bulletin board outside the Town Clerk’s office. The hearing was closed on December 8, 2022.

The following members of the Board were present at all sessions of the public hearing, and voted to approve the decision as set forth herein: Jack Mannion (chair), Larry Brown (vice chair), and Lidia Real Costa (secretary).

At the public hearing, the Board received from the Petitioner those documents set forth below. The Board received testimony from Robert Kraus and Peter Piantidosi on behalf of the Owner, and from several tenants of the Mobile Home Park. Also speaking at the hearing was Robert Shannon.

On January 11, 2023, the Board held a meeting at which it adopted this Decision.

Summary of the Evidence

The following Summary of the Evidence is based upon the Petition and supporting documents filed by the petitioner and testimony at the public hearing.

The Board considered the following documents submitted by the petitioner in support of the Petition:

- Document 1: Petition for Rent Adjustment dated June 21, 2022
- Document 2: Memorandum from Robert Kraus dated October 19, 2022
- Document 3: 203 pages of receipts submitted October 19, 2022
- Document 4: Memorandum from Robert Kraus dated November 5, 2022
- Document 5: Handwritten clarification of previously submitted receipts, dated December 6, 2022
- Document 6: Summary of owner's income and expenses 1/1/2015 to 10/27/22, submitted December 7, 2022

The board also received the following documents from other sources, which were not considered in determining the rent adjustment:

- Water account summary for 2016 to 2022Q3 submitted 10/19/22
- Correspondence between owner and Jody Shaffer submitted 10/19/22

Members of the Perry Trailer Park community voiced various opinions, thoughts, and concerns over the petitioner's request to increase fees. Additionally there was concern expressed over current emergency access to the community.

Applicable Law

In considering how to determine the amount of rent adjustment, if any, to be allowed, the Board noted that Section 7 of the Regulations directs the Board to make general rent adjustments "as may be necessary to assure that rents for Mobile Home Park Accommodations are established at levels which will yield to Owners a fair net operating income for such accommodations." Section 5 of the Regulations provides that the "maximum rent" of a Mobile Home Park Accommodation shall be the Rent charged the Tenant for the month of July, 1994, or the rent charged for the month closest to July, 1994 if the unit was unoccupied at that time. Section 7 further provides that the following factors shall be considered in determining whether a rental unit yields a fair net operating income:

1. Increases or decreases in property taxes;
2. Unavoidable increases or any decreases in Operating and Maintenance Expenses;
3. Capital Improvement of the Mobile Home Park Accommodation as distinguished from ordinary repair, replacement and maintenance;
4. Increases or decreases in space, Services, or equipment;
5. Substantial deterioration of the Mobile Home Park Accommodation, other than as a result of ordinary wear and tear, attributable to the Park Owner;

6. Failure to perform ordinary repair, replacement and maintenance;

Section 10.F of the Regulations, which governs petitions for rent adjustments, provides as follows:

All requests for adjustments must be in writing and be accompanied by a detailed explanation and reason for the adjustment. In the case of a proposed Rent increase, the Owner must include copies of receipts, bills, invoices, canceled checks or other records of expenses that will help clarify and justify the request for the increase. The burden of justifying an upward adjustment shall be on the Owner filing the petition and no Tenant shall be required to oppose an Owner's petition for adjustment.

Findings

The Board made the following findings with respect to the Petition:

1. There are 13 lots in the park, 9 of which fall under rent control. The remaining 4 lots do not currently qualify for rent control because the mobile homes on those lots are owned by the holder of the License for a Mobile Home Park (see definition of Mobile Home Park Accommodation on p. 2 of Regulations). This information was presented in the Petition for Rent Adjustment (Document 1) and not contested by any resident;
2. The current maximum rent per rent control unit was determined to be \$320/month. This information was presented in the Petition for Rent Adjustment (Document 1) and not contested by any resident;
3. The Petitioner failed to supply the requisite documentation to support his request for a rent adjustment in the amount requested. Specifically, 2015-16 receipts submitted (Document 3) appeared to include expenses unrelated to the mobile home park, such as improvements to the gas station and mobile homes owned by the petitioner. The summary of expenses (Document 6) was ultimately submitted without accompanying receipts, bills, invoices, or canceled checks clarifying or justifying the subtotals for each category. The petitioner chose not to provide documentation of how operating costs have changed between 2015 and 2022, when given this option by the Board.
4. The Board determined that an upward general rent adjustment of \$40/per unit was appropriate to provide a fair net operating income based upon the following: Section 8B of the regulations allow the Board, on its own initiative, to make a general adjustment, by percentage or otherwise, of the Rental levels for Mobile Home Park Accommodations. This \$40/month increase will allow the owner to collect up to \$360 additional rent per month for the 9 covered units, or a 12.5% increase in potential income. The Board consensus is that this increase may substantially improve net operating income for the owner without imposing an

excessive rent adjustment on residents which could produce serious threats to the public health, safety and general welfare of the residents.

The Board suggested the Owner return in future years with petitions for general rent adjustments.

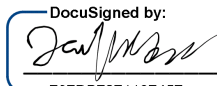
Decision

Upon Motion of Member Jack Mannion, seconded by Lidia Real-Costa, the Board voted, 3-0, to:

Approve the Petition for Rent Adjustment as set forth herein.

NORTH READING MOBILE HOME RENT CONTROL BOARD

DocuSigned by:



By: Jack Mannion

Its: Chair

Date: 1/13/2023

This Decision may be appealed to the Woburn District Court, the Superior Court, and the Housing Court Departments, pursuant to G.L. c.30A, §14 and Chapter 561 of the Acts of 1989, within 30 days after receipt of notice of this final decision.