

**Department of Safety & Inspections**  
**Staff Report**  
**Rent Stabilization Appeal**

**696 Conway Street**

On April 19, 2023, the Department of Safety & Inspections (DSI) received a self-certified application for an exception to the 3% rent increase cap per Ordinance 193A. The application is for 696 Conway Street. Megan Peterson, an employee of Housing Hub, submitted the application on behalf of Fair Housing LLC, which is listed as the owner of the property. The intake form is part of the record.

The application notes that the requested increase:

- Will comprise the entire building.
- Will not be consistent across all units.
- Will take effect on July 1, 2023.

DSI staff understands that there are three units in the building. Unit 1 was noted as “vacant” at the time of application, with a possible “move in” during May 2023.

The reasons for the rent increase listed in the application include:

- An increase in housing services.
- An increase in real property taxes.
- An unavoidable increase in operating expenses.

Per the self-certification process, the application was automatically approved. On May 12, 2023, an approval letter was sent to Ms. Peterson. Letters were mailed to the tenants on May 10, 2023 (Unit 2) and May 12, 2023 (Unit 1 and Unit 3).

For self-certification, applicants are required to provide several pieces of information from the worksheet used to calculate Maintenance of Net Operating Income or “MNOI.” The information includes:

- Current Year Gross Scheduled Rental Income
- Fair Net Operating Income
- Missed Fair Revenue
- Allowable Rent Increase (Missed Fair Revenue / Current Year Gross Scheduled Rental Income)

Staff verified that Current Year Gross Scheduled Rental Income and Allowable Rent Increase were incorrect in the application as submitted. Staff worked with the applicant to try to correct the information.

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<b>Data Pulled from Completed MNOI</b>	<b>Original Application</b>	<b>Corrected Application</b>
Current Year Gross Scheduled Rental Income	\$11,724.00	\$23,352.00
Fair Net Operating Income	\$13,807.07	\$15,749.75
Missed Fair Revenue	\$14,996.17	\$5,815.85
<b>Allowable Rent Increase</b>	<b>\$416.56</b>	<b>24.91%</b>

Please note that the actual Allowed Rent Increase in the self-certification process may not exceed 8.00% and may be less than 8.00%, depending on the financial information that was submitted.

This is a Class B property with one complaint to date in 2023. The complaint is currently under review.