



DC Cooperative Housing Coalition News

Representing the interests of the cooperative community in the District of Columbia since 1984

FOURTH QUARTER | 2009

Celebrating 25 years of service to the cooperative housing community

COALITION CONTINUES TAX EFFORTS

*By David Horrigan, President
DC CHC*

Continuing its work to maintain the fair tax treatment of housing cooperatives in the District and keeping members informed of tax-related developments, Coalition representatives met with representatives from the District of Columbia government in December after an extensive session on cooperative tax issues and the District's Recordation Tax at the Coalition's Annual Meeting in October.

Recordation Tax

In response to the District government's fiscal crisis and after years of considering a recordation tax for housing cooperatives, the D.C. Council passed legislation effective Oct. 1 expanding to cooperatives the recordation tax it had levied for years on condominiums and other real property.

The legislation, which expires this year, imposes a 2.2 percent tax on transfers less than \$400,000, and 2.9 percent on transfers of \$400,000 or more. There are exceptions to the tax, and cooperatives receive the same exceptions enjoyed by condominiums.

The DC Cooperative Housing Coalition is a proud Allied Partner of the Washington Metropolitan Chapter Community Associations Institute (WMCCAI), and invites you to attend the largest community association industry event in the Washington metropolitan area on Saturday, March 13, from 8 a.m. to 3:30 p.m. Click on the logo above for further information.)

See Page 3 for more information

Visit the Coalition's information table while you're there!

Comprehensive Approach

The Coalition opposed the Recordation Tax and sent letters to all members of the D.C. Council opposing its retroactive implementation. However, protection of the fair overall tax status of housing cooperatives in the District remains the Coalition's primary goal on tax matters.

As it has since helping to secure the fair tax treatment of co-ops in the Cooperative Housing Procedure Act of 1988, the Coalition is taking a

comprehensive approach to addressing the taxation of the District's housing co-ops: opposing the Recordation Tax, but ensuring that Coalition efforts on the tax are part of a coordinated effort to protect tax benefits of far greater importance to Coalition members.

Annual Meeting

Taxation was at the top of the agenda at the Coalition's Annual Meeting in October, with the program focusing on the Recordation Tax and featuring

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guest speaker Joyce Rhodes, President of The Edmund J. Flynn Co., the District's oldest cooperative transfer company and the transfer agent for many Coalition members.

Ms. Rhodes gave a thorough presentation on the Recordation Tax and co-op taxation in the District, and in an extensive question and answer session, she addressed member concerns, including the lack of substantive guidance from the District on how and when the tax was to be collected and remitted.

District Government Meeting

In December, the Coalition continued its tax advocacy efforts by meeting with representatives from the District Government's Office of Tax & Revenue (OTR), the D.C. Council's Committee on Finance and Revenue, and the office of Councilman Jack Evans.

Coalition President David Horrigan and Coalition Counsel Joseph Douglass noted the important differences between housing cooperatives and condominiums and how a recordation tax should not apply to transfers of personal property that are not recorded. In addition, the group discussed the problems with implementing the tax retroactively and without clear procedural guidance.

As Councilman Evans indicated in a letter to the Coalition, Finance and Revenue Committee Clerk Jeff Coudriet said the new Recordation Tax could be revisited, and—in a critically important development for Coalition members—OTR Deputy Chief Counsel Robert McKeon said that there were no current plans for comprehensive changes

to the District's overall tax structure for co-ops.

Plans for 2010

The Coalition plans to work with the Committee and Councilman Evans' office in seeking the termination of the Recordation Tax in 2010. In addition, the Coalition will continue its advocacy with OTR on overall tax issues and plans an educational seminar for its members featuring OTR representatives.

Survey of Employee Salaries and Benefits

*By Paul St. Hilaire, Director,
DC CHC*

During this past summer, the Coalition surveyed members on employee salaries and benefits. The survey was extensive and covered many areas of common interest such as number and types of employees, management and staff salaries, as well as health and retirement benefits, including days off.

The responses have now been analyzed and a final report developed. Results include a summary and point-by-point discussions of detailed tables.

Responding member cooperatives ranged from the small (fewer than 25 units) to the large (200 or more units).

From the very start of this survey, it was understood that the information was seen as proprietary. As a consequence, several measures were taken to ensure anonymity. To further ensure security, the results are not presented here but are available to Coalition members upon request by sending a request via e-mail to CooperativesDC@aol.com.

DC Requires Co-ops to File Recycling Plan

The Coalition reminds its members that by law, recycling is required in all business establishments and apartment buildings, including cooperatives. Violations of the District's recycling laws are subject to tickets and fines ranging from \$25 to \$1000. Glass, metal, and paper products must be separated and containerized independently of other solid waste. A bi-annual, official Recycling Plan must be submitted and an inspection must be passed

A 16-page *Commercial Recycling Guide* is available from the DC Department of Public Works, Office of Recycling. This booklet covers the DC regulations and resources you need to know including a list of registered Recycling Haulers and their contact information. The *Guide* is available on line: <http://dpw.dc.gov/DC/DPW/About+DPW/Publications/Commercial+Recycling+Guide>



For more about the District's green initiatives, go to: <http://green.dc.gov/green/site/default.asp>

**BUILDING OUR
FUTURE
TOGETHER**

WASHINGTON METROPOLITAN
CHAPTER
community
ASSOCIATIONS INSTITUTE

CONFERENCE & EXPO MARCH 13, 2010
WASHINGTON, DC CONVENTION CENTER

ATTENTION COMMUNITY ASSOCIATION VOLUNTEER LEADERS & PROFESSIONALS: On Saturday, March 13, enjoy your BEST OPPORTUNITY to find the products, services, and guidance that will help you meet the unique needs of your community. With 15 educational seminars and more than 150 EXHIBITING COMPANIES showcasing the latest in products and services for the community association industry, the Conference & Expo is GROUND ZERO for the Washington area community association industry! Learn from industry leaders at TOP NOTCH EDUCATIONAL SEMINARS covering the hottest topics impacting community associations. Meet hundreds of community association volunteer leaders. Enhance your knowledge and improve your LEADERSHIP SKILLS. Share ideas on association governance and operations and receive answers to your questions. Don't miss this opportunity to attend Metro Washington's LARGEST COMMUNITY ASSOCIATION EVENT!

A FAST, EASY WAY TO:

- Meet other Association Leaders
- Visit Business Partners and Management Companies who cater to your needs
- Receive answers to your questions to improve your community
- Earn continuing education credits

Learn more and register at www.caidc.org

WHEN:

Saturday, March 13, 2010
8:00 a.m. - 3:30 p.m.

WHERE:

Washington Convention Center
801 Mount Vernon Place, NW
Washington, DC 20001

SCHEDULE:

8:00 am - 2:30 pm:
Registration
Exhibit Hall Open

9:15 - 10:45 a.m.
Education Seminars

11:00 a.m.
Lunch in Exhibit Hall Begins

11:30 a.m. - 1:30 p.m.
Education Seminars

1:00 - 2:30 p.m.
Break in Exhibit Hall

2:30 p.m.
Best Booth Award Presentation
Exhibit Hall Closes

2:30 - 3:30 p.m.
Education Seminars

3:30 p.m.
Adjourn

Board of Directors

President

David Horrigan
1300 Massachusetts Avenue (The DeSoto),
31 units

Vice President

Carl Gerber
The Cathedral Avenue, 145 units

Secretary

Art Leabman
1870 Wyoming Avenue, 28 units

Treasurer

Jill Golden
3028 Porter Street, 11 units

Directors

Betsy Allman
Capitol Hill Towers, 344 units

Fred Dyda
Tilden Gardens, 170 units

Desmond Foynes
The Presidential, 43 units

Paul St. Hilaire
Tiber Island, 389 units

Art Howland
Naylor Gardens, 318 Units

Michael O'Dell
Harbour Square, 447 units

Nancy Skinkle
The Broadmoor, 194 units

JoAnn Wells
Potomac Plaza Apartments 249 units

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www.CoopsDC.org



About DC/CHC, the Coalition

Established in 1984, the DC Cooperative Housing Coalition exists to advance the common interests of cooperative housing associations in the District of Columbia and to promote cooperative housing as a desirable form of home ownership. It is therefore both an advocacy organization that articulates the interests of members before government officials and regulatory agencies and a service organization that provides information and education to members.

Membership is open to all District housing cooperatives, regardless of size. A volunteer board of directors, elected by member co-ops, governs the Coalition. Activities are financed through annual dues, \$1.50 per unit per year (12.5 cents per month)

The Coalition grew out of an ad-hoc group of District cooperatives that formed in response to a judicial ruling that had cast a cloud over many cooperatives by banning proportionate voting. By marshaling the forces of more than 3,000 housing cooperative units, the ad-hoc group persuaded the District's City Council to resolve the matter.

Recognizing the importance to the cooperative housing community of speaking in a single voice and maintaining the ability to respond quickly and knowledgeably to matters affecting cooperative housing, the ad-hoc group decided to form a permanent organization.

The Coalition was established in 1984 and was incorporated as DC/CHC, Inc., a nonprofit, IRS Code Section 501(c)(6) organization in the District of Columbia, May 24, 1993.

Member Profile Page

Does your cooperative have its own dedicated page on the Coalition's web site? It's free and it is one of the Coalition membership benefits. See what your co-op is missing at www.coopsdc.org/Membership.htm and click on members with the  icon next to their names. Don't let your co-op miss out on this members-only benefit!

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Need a web site or have one that needs updating?

CHC is fortunate to have found a talented web designer to create our web site. Luckier still, he is willing to create sites for our member coops at reasonable rates. Go to our web site, <http://www.coopsdc.org/services.htm>, and click on "Scott D. Seligman." Scott has done several web sites for co-ops in addition to the profile pages on our web site.