



# DC Cooperative Housing Coalition News

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

THIRD QUARTER | 2009

*Celebrating 25 years of service to the cooperative housing community*

## PROVIDERS' EDITION

*Look inside!* The businesses listed starting on page 3 are interested in working with Coalition co-ops. The next time you need a service provider, consider a business that supports the District's cooperative housing community! Tell them you saw their name in the Coalition's **Coalition News or web site!**

## New 40% Tax Assessment Floor May Mean Higher Tax Bill

*Some owners will see sizeable initial tax increase*

Many property owners, including cooperatives, long protected by a cap on the amount their property tax bill could increase, could soon see a sizeable increase in their property tax bill. The next property tax bill will be based on a minimum 40 percent of a property's assessed value, regardless of the previous years' protection under the 10 percent cap.

The recently passed Fiscal Year 2010 Budget Support Emergency Act of 2009, effective October 1, 2009, is expected to raise an additional \$5.2 million in tax revenues as a result of this change. The legislation requires that if the current tax year's taxable assessment is less than 40% of the current tax year's assessed value, the current tax year's taxable assessment shall be 40% of the current tax year's assessed value. The change affects owners of houses, condominiums, and cooperatives.

As an example, assume that your cooperative's FY2009 taxable assessment ("Current Value") is \$250,000 but your FY2010 taxable assessment ("Proposed New Value") is \$1 million. Under the 10 percent cap, your assessment would have increased by \$25,000 to \$275,000. Under the 40 percent floor, your assessment would be \$400,000, a 60 percent increase in assessment value. Under the cap (and without any consideration for the homestead exemption), your tax bill would have increased by an additional \$212.50. Under the 40 percent floor (again, without consideration for the homestead exemption), your tax bill will increase by an additional \$1,275. For at least one of our members, the expected *additional* increase in their tax bill is \$127,500.

Members should compare their "Current Value" Taxable Assessment with their "Proposed New Value (2010)" Taxable Assessment to consider how, if at all, their budgets may be affected. To determine that, search the City's [Real Property Assessment Database](#) [https://www.taxpayerservicecenter.com/RP\\_Search.jsp?search\\_type=Assessment](https://www.taxpayerservicecenter.com/RP_Search.jsp?search_type=Assessment). After entering your cooperative's identifying information, you will be taken to the page containing tax information for your co-op. At the bottom of that page, under the heading, "Tax Year 2010 Preliminary Assessment Roll," you will be able to compare your current taxable assessment with the proposed.

*Mark your Calendar:*

**2009 Annual Meeting**

**October 21**

Hosted by Broadmoor Cooperative

## Transfer Taxes for Co-op Sales

Effective October 1, 2009, sellers and buyers of cooperative units will pay a new transfer and recordation tax on the sale and purchase of their units. The seller and buyer will each pay 1.1 percent of the contract price for a total of 2.2 percent for sales less than \$400,000. Sellers and buyers will each pay 1.45 percent for a total of 2.9 percent for sales of \$400,000 or more. Until now, there were no transfer taxes on cooperative sales.

These changes were contained in the recently passed "Economic Interests in Real Property Clarification Amendment Act of 2009" to amend the District of Columbia Deed Recordation Tax Act of 1962. The amendment "clarified" that transfers of shares in a cooperative housing association are subject to taxes.

The Tax Act was amended by substituting the phrase "A transfer of an economic interest in real property" with the phrase "A transfer of an economic interest in real property, including shares in a cooperative housing association" (emphasis added).

***Benefits & Salaries Survey Results!*** Page 5

## RPTA Director & OTR Deputy Counsel Talk to 4 SW Co-ops

Richie McKeithen, Director of Real Property Tax Administration, and Robert McKeon, Deputy Chief Counsel for the Office of Tax and Revenue (OTR), spoke to neighboring co-ops Capitol Hill Towers, Harbour Square, River Park, and Tiber Island on July 21. Harbour Square hosted the presentation.

The audience included the co-ops' boards of directors, management teams, and their budget and finance committees. McKeithen and McKeon talked about the Homestead Exemption and 10% cap in addition to (at that time) proposed legislation (40 percent property assessed value floor for tax purposes and transfer of equity tax).

## CDARS Program Provides Additional Deposit "Peace of Mind" for Customers in the DC Metro Area

*By Mary Alex Dundics, Vice President, NCB*

Daily reports on the instability of the economy, has led to a slowdown in stock market and real estate ventures, as many consumers shifted their focus from investing to preserving liquid assets. Individuals and businesses are concentrating on safeguarding cash and actively seeking out the most secure financial institutions to house and manage these portfolios. For many, they're finding the additional protection they require at financial institutions participating in the Certificate of Deposit Account Registry Services® (CDARS®) Network.

Banks, like NCB, have joined the network in order to provide depositors with access of up to \$50 million

dollars in FDIC-insurance coverage on certificates of deposits (CDs). While the FDIC has increased its individual account coverage to \$250,000 through 2013, the long-term security provided by CDARS does not have an end date, and is offered free of charge to bank customers of enrolled institutions. This additional financial security is attractive to a large number of consumers and organizations, including community associations, who often hold substantial reserve funds for their properties

Recently, three Washington, DC Metropolitan area associations enrolled in the program, as their reserve funds were over the \$250,000 FDIC-insured limit. These three associations were able to maximize the benefits of this service by laddering the terms of CDs purchased by CDARS, from six months to a year. By doing so, these organizations ensure flexible access to the funds as the CD's roll in case they need to pay for any capital improvement projects.

The program is effective because it divides accounts exceeding \$250,000 to amounts less than that cut-off, and spreads the funds across a network of CDs in FDIC-insured banks. The program enables customers to bank with one institution, but have the benefit of accessing full-insurance coverage for all certificates of deposits. For example, customers with accounts at NCB consider it the "home base" and can choose between CDs maturities ranging from four weeks to five years. A single interest rate is set by the home bank, and applies to all the specific CD terms. The CDARS service provides one simple, consolidated statement avoiding the need to track multiple accounts, changing collateral values or the use of private surety bonds.

For cooperatives, the CDARS program provides the protection to ensure their financial safety for years to come, which is why, NCB and more

than 3,000 other institutions across the country have joined the network.

## Accrued Sick and Safe Leave Act of 2008

As of November 13, 2008, DC's Accrued Sick and Safe Leave Act of 2008 went into effect. District employers must provide paid sick leave for their employees according to the schedule below. If you already have a leave policy in place, vacation and/or sick leave, that is equal to, or greater than, the accruals described below, you do not need to change your existing policy.

If you have:

- ▶ 100 or more employees, you must provide 1 hour for every 37 hours worked, but not more than 7 days per calendar year.
- ▶ At least 25 employees, but not more than 99, you must provide 1 hour of leave for every 43 hours worked, but not more than 5 days per calendar year.
- ▶ Fewer than 24 employees, you must provide 1 hour of leave for every 87 hours worked, but not more than 3 days per calendar year.

The DC Department of Employment Services has published an updated "District of Columbia Minimum Wage Poster" which is available on line ([http://www.does.dc.gov/does/frames.asp?doc=/does/lib/does/frames/wage\\_hour\\_web.pdf](http://www.does.dc.gov/does/frames.asp?doc=/does/lib/does/frames/wage_hour_web.pdf)) and must be posted. (Reproduced with permission from *The Cloak Room*, Volume 7, issue 9, December 2008, page 2, the newsletter of the Restaurant Association Metropolitan Washington. Special thanks to CHC Director Betsy Allman, Capitol Hill Towers, for bringing this to our attention).



# Consider These Providers!

The following companies provide services to DC's housing cooperatives and are listed on the Coalition's web site:

[www.coopscdc.org](http://www.coopscdc.org). Their listings include links to their web sites as well as e-mail addresses for their contacts. Please consider these providers the next time your co-op needs one of their services.

Support those who support us and let them know that you learned about them from the Coalition. Visit the Coalition's web site for additional providers as the list is updated periodically.



## Accounts

### **Goldklang, Cavanaugh & Associates, P.C.**

Contact: Howard Goldklang,  
Administrator  
1801 Robert Fulton Drive, Suite 200  
Reston, VA 20191  
Telephone: 703-391-9003  
E-mail: [cpas@gcacas.com](mailto:cpas@gcacas.com)  
Web site: [www.gcacas.com](http://www.gcacas.com)

### **DeLeon & Stang, CPA and Advisors**

Contact: Tracy L. Geiger, Audit Manager  
100 Lakeforest Blvd., Suite 650  
Gaithersburg, MD 20877  
Telephone: 301-948-9825  
E-Mail:  
[tracy@deleonandstang.com](mailto:tracy@deleonandstang.com)  
Web site:  
[www.deleonandstang.com](http://www.deleonandstang.com)



## HVAC Contractors

### **Advanced Building Services, Inc.**

Contact: W.H. Farley, Services Coordinator  
23475 Rock Haven Way, Suite 135  
Sterling, VA 20166  
Telephone: 703-661-4280  
E-mail: [whfarley@cox.net](mailto:whfarley@cox.net)  
Web site:  
[www.advanced-building.com](http://www.advanced-building.com)



## Insurance

### **J. E. Rice Insurance Agency, Inc.**

Contact: Joseph E. Rice III,  
President  
3140 West Ward Road #105  
Dunkirk, MD 20754  
Telephone: 301-812-1200  
E-mail: [Joe@jerice.com](mailto:Joe@jerice.com)  
Web site: [www.jerice.com](http://www.jerice.com)



## Legal Services

### **Whiteford Taylor & Preston**

Contact: Joseph D. Douglass,  
Attorney  
1025 Connecticut Avenue, NW #400  
Washington, DC 20036  
Telephone: 202-659-6800  
E-mail: [jdouglass@wtplaw.com](mailto:jdouglass@wtplaw.com)  
Web site: [www.wtplaw.com](http://www.wtplaw.com)



## Lenders (Share

### Loans)

### **Clark Financial Services, Inc.**

Contact: Daniel M. Caplan, Sr. VP  
10230 New Hampshire Ave. #350  
Silver Spring, MD 20903  
Telephone: 301-434-2008  
E-Mail: [clarkfin@aol.com](mailto:clarkfin@aol.com)  
Web site:  
[www.clarkfinancialservices.com](http://www.clarkfinancialservices.com)

### **JP Morgan Chase Bank**

Contact: Mark E. Richards, Sr.  
Loan Officer – Cooperative Specialist  
15850 Crabbs Branch Way #160  
Rockville, MD 20855  
Telephone: 301-258-1060 Ext. 205  
VM Pager: 202-917-2109  
E-mail:  
[Mark.E.Richards@chase.com](mailto:Mark.E.Richards@chase.com)  
Web site:  
<http://homeloan.chase.com/mark.e.richards>

### **National City Bank (now a part of PNC)**

Contact: Jean Marie Pace,  
Assistant Vice President  
7852 Walker Drive, Suite 400  
Greenbelt, MD 20770  
Telephone: 301-313-2365 (office)  
Telephone: 202-271-1833 (mobile)  
E-mail:  
[jeanemarie.pace@ncmc.com](mailto:jeanemarie.pace@ncmc.com)



**DC Cooperative Housing Coalition**

Since 1984 ♦ [CoopsDC.org](http://CoopsDC.org)

## National City Mortgage Corp.

Contact: Cam Carson-Wagon,  
Cooperative Financing Specialist  
10306 Eaton Place, #430  
Fairfax, VA 22003  
Telephone: 703-934-6974  
E-mail:  
[cam.carson-wagon@ncmc.com](mailto:cam.carson-wagon@ncmc.com)  
Web site:  
[www.nationalcitymortgage.com](http://www.nationalcitymortgage.com)

## National Cooperative Bank

Contact: Brittany Baldwin  
2011 Crystal Drive, Suite 800  
Arlington, VA 22202  
Telephone: 703-302-1904  
E-Mail: [bbaldwin@ncb.coop](mailto:bbaldwin@ncb.coop)  
Web site: [www.ncb.coop](http://www.ncb.coop)

 **Management**  
Companies

## BRIM, Inc

Contact: Bernie Robinson,  
President  
4400 MacArthur Boulevard, NW,  
Suite 101  
Telephone: 202-625-2400

## Community Management Corporation

Contact: Susan Blackburn,  
President and CEO  
12701 Fair Lakes Circle, Suite 400  
Fairfax, VA 22033  
Telephone: 703-631-7200  
E-mail:  
[sblackburn@cmc-management.com](mailto:sblackburn@cmc-management.com)  
Web site:  
[www.cmc-management.com](http://www.cmc-management.com)

## EJF Real Estate Services

Contact: Peter Greeves, President  
2639 Connecticut Ave, NW  
Suite 113  
Washington, DC 20008  
Telephone: 202-537-1801, ext.  
212  
E-Mail: [Peter@ejfrealestate.com](mailto:Peter@ejfrealestate.com)  
Web site: [www.ejfrealestate.com](http://www.ejfrealestate.com)

## William C. Smith & Company, Inc.

Contact: Stuart Washington,  
Property Manager  
1100 New Jersey Ave., SE Suite  
1000  
Washington, DC 20003  
Telephone: 202-371-1220  
E-Mail:  
[SWashington@wicsmith.com](mailto:SWashington@wicsmith.com)  
Web site: [www.williamcsmith.com](http://www.williamcsmith.com)

## Zalco Realty, Inc.

Contact: Arthur N. Dubin,  
President  
8701 Georgia Avenue, #300  
Silver Spring, MD 20910  
Telephone: 301-495-6633  
E-Mail: [adubin@zalco.com](mailto:adubin@zalco.com)  
Web site: [www.zalco.com](http://www.zalco.com)

 **Plumbing and  
Plumbing-Related**

## CuraFlo Mid Atlantic

Contact: Leo Haslbeck  
Director of Sales and Marketing  
5713 Industry Lane, Suite 56  
Frederick, MD 21704  
Telephone: 301-668-1144  
Telephone: 301-343-8755 (Cell)  
E-mail: [leo@epoxylining.com](mailto:leo@epoxylining.com)  
Web site: [www.epoxylining.com](http://www.epoxylining.com)

 **Restoration and  
Remodeling**


## Paul Davis Restoration & Remodeling

Contact: Tom Plant, President  
7410 Lindbergh Drive  
Gaithersburg, MD 20879  
Telephone: 301-948-8008  
E-mail: [tplantedr@usa.net](mailto:tplantedr@usa.net)  
Web site:  
[www.pdmontgomery.com](http://www.pdmontgomery.com)

 **Transfer  
Agents/Settlement  
Companies**

## Edmund J. Flynn Company

Contact: Joyce A. Rhodes,  
President  
5100 Wisconsin Avenue, NW  
#514  
Washington, DC 20016  
Telephone: 202-537-1800  
E-mail:  
[Joyce.Rhodes@edmundjflynn.com](mailto:Joyce.Rhodes@edmundjflynn.com)  
Web site: [www.edmundjflynn.com](http://www.edmundjflynn.com)

 **Websites for  
Co-ops**

## Scott D. Seligman

202/248-8247  
Contact: Scott D. Seligman  
4700 Connecticut Avenue, NW  
#507  
Washington, DC 20008  
E-mail:  
[seligman@alumni.princeton.edu](mailto:seligman@alumni.princeton.edu)  
Web site: [www.seligmanonline.com](http://www.seligmanonline.com)

## Salary & Benefit Survey Results

By Paul St. Hilaire, CHC Director and Tiber Island Representative

CHC recently sent out a survey of the salaries and benefits extended to employees of our cooperatives. The survey covered a number of areas of interest: the number and types of employees, salaries provided to management and staff and health and retirement benefits including days off. It was understood that the information could be seen as proprietary and measures were taken to ensure anonymity.

The response rate was reasonably good with 20 of 48 cooperatives reporting. The results have now been tabulated and will be distributed to all in a final report to be issued next month. In the meantime, here are a few salient points:


- The level and types of services from management companies was generally greater with the smaller and intermediate size cooperatives. However, all but four cooperatives reported some form of service, mostly financial. The remaining four are self-managed.
- As expected, the number of employees varied with size. The twelve cooperatives with fewer than forty-nine units had few non-contract employees. Three employed a general manager with a median salary of \$20,000.
- The salaries offered by cooperatives with greater than 100 units depended on size, with the salary for general manager ranging from \$70-89,000 for the smaller through \$110-119,000 for the larger. Similar ranges for assistant manager and chief engineer were \$35-49,000 through \$70-89,000 and \$50-69,000 through \$70-89,000 respectively.
- Benefit packages depended on staff size. For cooperatives with more than 100 units, most provided health (HMO) care with dependent and

family coverage. Cost of coverage was variously split between employer and employees. In this same group, retirement benefits (simple IRA and 401K) were provided by nearly all. Where vesting provisions applied the vesting period varied from less than 6 to 36 months.

These are just a few of conclusions available. All pertinent data will be provided in the final report. Finally, we thank all responders for the time and effort they put into this project.

## Is Your Co-op Missing Out on a Free Web Page?

Does your co-op have a dedicated web page on the Coalition's web site? No? Don't know? Go to <http://www.coopscdc.org/membership.htm> and see. Look for the following

symbol:  That symbol indicates that there is a dedicated page with a photo and additional information about the co-op. Learn more on the next page.

Here's an example:

### The Porter

**Address:** 3600 Connecticut Avenue, N.W. Washington, DC 20008  
**Residences:** 28 Apartments  
**Neighborhood:** Cleveland Park, Ward 3, ANC: 3C  
**Website:** [www.theporterinc.com](http://www.theporterinc.com)  
**Management:** Delbe Property Management  
**Amenities:** Elevator, Bicycle Storage, English Garden with Resident Gardening and Grilling Areas, Nearby Shops, Steps from the Cleveland Park Metro.

The Porter was built in 1925-26 by Morris Cafritz and the Cafritz Construction Company, with an original address of 3608 Connecticut Avenue, N.W. The Porter was among the first of more than seventy-five cooperative apartment houses built in Washington between 1923 and 1929. Before then, only two

apartment buildings had been built in the city as co-ops, one in 1891 and the other in 1909.



Apartment living, in both co-ops and rental units, became very popular after World War I because of serious inflation and a growing population. Other co-ops built during this period include 1701 Lanier Place, N.W. (1923); the Cleveland Park at 3018-3028 Porter Street, N.W. (1924); 1661 Crescent Place, N.W. (1925); and Tilden Gardens (1927).

To protect traditional residential areas, the D.C. zoning law of 1920 restricted certain neighborhoods to single-family homes. Later amendments allowed apartment buildings in these neighborhoods, but only along a single street. The best example of this regulation is Connecticut Avenue.

In 1926, the nearly-completed building was converted into a corporation (incorporated in the state of Delaware), and shares of stocks were sold. The purchasers of the stock, known as shareholders, were issued shares according to the size and location of their apartments. The original mortgage was paid off in 1954. The corporation owns the building and the land outright.

The four-story brick building sits on three-tenths of an acre. There are 28 units, arranged in seven floor plan tiers (e.g., 01, 02, 03). There are four efficiencies, 21 one-bedrooms and three two-bedrooms. Twelve of the units originally had open porches which were later enclosed.

Because of its small size, The Porter continues as a community where residents know one another and take pride in their direct oversight of the building, which still maintains much of its old world charm.

## 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

### **Counsel**

Joseph Douglass  
Whiteford, Taylor & Preston, LLP  
1025 Connecticut Avenue, NW  
Washington, DC 20036  
202- 659-6779  
[jdouglass@wtplaw.com](mailto:jdouglass@wtplaw.com)

### **Administrative Assistant**

Jim Smith  
700 7<sup>th</sup> Street, SW #633  
Washington, DC 20024  
200-488-3670  
[DCCHC@aol.com](mailto:DCCHC@aol.com)

### **Contact us:**

[CooperativesDC@aol.com](mailto:CooperativesDC@aol.com)  
[www.CoopsDC.org](http://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](http://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!

## Reproducing CHC News Articles

No special permission is required to use or reproduce articles contained in **CHC News**. However, each reproduced material should contain proper acknowledgement of the DC Cooperative Housing Coalition and its **CHC News** as the source of the article.

## 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.