

Co-op Coalition Survey: Administrative-Policy Issues (9-2023)

15 co-ops responded.

Sent: Wednesday, September 6, 2023 at 11:33:39 AM EDT

Subject: CO-OP SURVEY: ADMINISTRATIVE-POLICY ISSUES (REP) (DUE 9-19)

A Coalition member wants to know about several unrelated policy and administrative issues. Please reply by Tuesday, September 19, 2023.

Thanks in advance for helping another Coalition member. The questions follow:

1. Do any Cooperative Boards use an app such as Google docs to conduct business outside of meetings? An example would be to amend minutes so they can be published in a timelier manner.
2. Do any Cooperative use a transfer agent that is not Edmund J. Flynn? If so, who is that organization?
3. Do any Cooperative have a policy addressing non-Homestead apartments? Is there a limit in place on these types of shareholders such as second homes, rental apartment, adult children or other family members, etc.?

Best regards,

Janet Sten, Director
DC Cooperative Housing Coalition

www.CoopsDC.org

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Buy our book -- Washington DC Housing Co-ops a History https://www.amazon.com/s?k=Washington+DC+Co-ops+A+History&i=stripbooks&ref=nb_sb_noss

View our video-- 100 years in 15-minutes: <https://youtu.be/W1wcBu3F8vY>

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<30 units	<ol style="list-style-type: none">1. No we do not use Google docs to communicate. We use EJJ's portal...of course, there are only four of us so a loud voice also works.2. We all used Flynn to close....and EJJ started as a Flynn company a century ago3. We have 3 homestead of the four of us...soon to be four of four. We allocate prop taxes to reflect the lower rate for the 3 homestead apts.
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<30 units	<p>1. Do any Cooperative Boards use an app such as Google docs to conduct business outside of meetings? An example would be to amend minutes so they can be published in a timelier manner. We have a Google Drive where we we upload shared documents and use Google Docs + Sheets to edit/collaborate documents amongst the Board.</p> <p>2. Do any Cooperative use a transfer agent that is not Edmund J. Flynn? If so, who is that organization? No.</p> <p>3. Do any Cooperative have a policy addressing non-Homestead apartments? Is there a limit in place on these types of shareholders such as second homes, rental apartment, adult children or other family members, etc.? No.</p>
<30 units)	<p>1. We are not using an app like Googledocs</p> <p>2. We do not use a transfer agent other than Edmund Flynn</p> <p>3. Generally, shareholders must be residents, although the apartment of one shareholder is not the primary residence. Any subletting of an apartment is subject to Board approval and allowed under the bylaws only for owners who are on a temporary assignment for employment and may be granted only once in a ten year-period. Subletting approval is for a one year period and may be renewed for additional 2-year periods upon approval of the Board.</p>
<30 units	<p>1. No. We do use Dropbox for archiving documents.</p> <p>2. No.</p> <p>3. Our House Rules: (1) prohibit apartment exchanges; (2) allow subleases only with Board approval and under limited circumstances; (3) require Board approval for any person who is a guest in the apartment for more than 30 days; and (4) prohibit any in-home business that affects the residential character of the building.</p>
<30 units	<p>1. Yes we use google docs and google drive for collaborating on and storing documents. And the calendar for scheduling and hosting meetings.</p> <p>2. We use EJF</p> <p>3. Residents have to be on the proprietary lease, and renting can only be for four total years throughout a shareholders ownership periods. These clauses together help limit non-Homestead use while adding flexibility for life circumstances.</p>
<30 units	<p>1. At our cooperative have group emails for residents, shareholders, and board members and use SharePoint to store minutes and important documents.</p> <p>2. Edmund J Flynn</p> <p>3. We have no limit on non-homestead apartments but do limit rentals to about 20% of all apartments.</p>
30-80 units	<p>1. We generally do the editing of minutes by sharing Word Documents between the Secretary and other Board members.</p> <p>2. We use Edmund J. Flynn.</p> <p>3. We have a policy that significantly restricts owners from renting out their units. In the first few years of ownership it is forbidden. After a time the policy allows rentals, but with significant restrictions and tenants need to be approved by the Board (just like</p>

	<p>homeowners must be approved) and leases must not be shorter than a year.</p> <p>We would be willing to share the wording of our policy with other Coops.</p>
30-80 units	<p>1. Do any Cooperative Boards use an app such as Google docs to conduct business outside of meetings? An example would be to amend minutes so they can be published in a timelier manner. <i>Yes, we use Google docs to publish meeting minutes so they can easily be amended.</i></p> <p>2. Do any Cooperative use a transfer agent that is not Edmund J. Flynn? If so, who is that organization? <i>No, we use Flynn.</i></p> <p>3. Do any Cooperative have a policy addressing non-Homestead apartments? Is there a limit in place on these types of shareholders such as second homes, rental apartment, adult children or other family members, etc.? <i>We do not have a policy nor limits addressing non-homestead apartments at this time. We have considered charging higher monthly fees to the stockholders in non-homestead apartments because they are receiving the benefit of the tax advantage that homestead apartments receive.</i></p>
30-80 units	<p>1. Do any Cooperative Boards use an app such as Google docs to conduct business outside of meetings? An example would be to amend minutes so they can be published in a timelier manner. <i>Our Board maintains a gmail account for outgoing communication to our residents. We use this account for regular business like distribution of minutes as well as to inform residents about any adjustments to building services (water, elevator, front desk). The account is not monitored for incoming mail.</i></p> <p>2. Do any Cooperative use a transfer agent that is not Edmund J. Flynn? If so, who is that organization? <i>Flynn is our transfer agent.</i></p> <p>3. Do any Cooperative have a policy addressing non-Homestead apartments? Is there a limit in place on these types of shareholders such as second homes, rental apartment, adult children or other family members, etc.? <i>Apartments that do not qualify for homestead exemption are charged a monthly fee equivalent to what DC is offering as tax credit. Our cooperative interviews (and must approve or reject) all adults requesting occupancy either as purchaser or sublessor. Our bylaws require 2 years of occupancy before any request to sublease will be considered. It is not unusual for a parent to be involved in the purchase of a first home for a young adult child; circumstances vary, but might be co-owner (co-sign share loan), provide private financing, or outright purchase by parent with child as sole proposed occupant. We have occasionally approved an aging parent as additional resident or co-owner. If family member is paying rent it is a rental (sublease) regardless of familial relationship (check DC Code or your attorney).</i></p> <p><i>We have not had to address this specifically, but there is a threshold at which DC will allow no homestead exemption to the entire building if too few owners qualify.</i></p>
30-80 units	<p>1. Do any Cooperative Boards use an app such as Google docs to conduct business outside of meetings? An example would be to amend minutes so they can be published in a timelier manner.</p> <p><i>We use two apps: Google Drive as our document repository and Trello for project management. Both of these have a web and app version that the board has sole control of. In using these tools, we've gone from an overwhelming amount of weekly emails with property management and ourselves down to a handful. Many weeks this past year have had just 1 email thread with current status and reminders.</i></p> <p>1. <i>Prior to Google Drive, version control was a constant issue, requiring everyone to manage their own file systems which would quickly become out of date. This was often a source of confusion and time wasted. Now, the board can access</i></p>

	<p>the same set of files and always be up to date immediately, even new board members. Drafting new policy language is easy with comments and the various editing modes. We use Docs and Sheets primarily. Property management can see a small subset of our files, but not edit.</p> <p>2. Trello is a simple, kanban-style project management tool that organizes everything by topic/project instead of endless emails. Prior to Trello, the board wasted most of our time trying to figure out the current status of repairs, projects, etc. from property management. This took up a great deal of time during board meetings and a head-spinning amount of emails. Now, the board uses Trello to see current status, due dates, relevant files, checklists, and comments for each topic. We also use it to vote electronically, so that decisions can be made quickly and easily. Our Trello space is connected to Google Drive, which means we can attach any of our files easily. I cannot recommend this style of project organization and management enough, especially since property management is often forgetful and unaware of all the relevant details. We have not shared our Trello space with property management.</p> <p>2. Do any Cooperative use a transfer agent that is not Edmund J. Flynn? If so, who is that organization? No, to my knowledge we only use Edmund J. Flynn.</p> <p>3. Do any Cooperative have a policy addressing non-Homestead apartments? Is there a limit in place on these types of shareholders such as second homes, rental apartment, adult children or other family members, etc.? According to our By-Laws, the board must deny sale to any purchaser that does not plan to make the co-op their primary residence. However, our By-Laws and Rules & Regulations lack specific language as to what happens if a shareholder decides to move away after becoming an owner, thereby making this a non-primary residence which is ineligible for Homestead Deduction. Short of removal of stock, the board is currently discussing a fee equivalent to the current \$714 Homestead Deduction should any owner not currently getting the deduction fail to submit the application. Currently, we have just one shareholder who has moved away but does not intend to sell. The board is discussing what should be done in cases such as these and how to prevent them in the future.</p>
30-80 units	<p>1. We use Dropbox to store and share documents.</p> <p>2. We use Edmund J. Flynn Co.</p> <p>3. Our By-Laws place several restrictions on an owner's ability to lease his or her apartment. They prohibit owners from leasing their apartments unless and until they are members of the Co-op for at least one year; prohibit leasing for more that two consecutive years at any one time; limit the privilege of leasing to owners who desire to leave the metropolitan area for a temporary period and express the intention of returning to the building to reside after the stated period is up; and restrict to four the number of apartments that may be leased at any one time. Also, an owner whose apartment is not the owner's principal place of residence must reimburse the Co-op for the tax benefit forgone as a result of our inability to claim the homestead exemption for that apartment.</p>
120-280 units	<p>1. Do any Cooperative Boards use an app such as Google docs to conduct business outside of meetings? An example would be to amend minutes so they can be published in a timelier manner. Yes we use Google Docs. The Board has their own Doc file which they can share with me. Each Board member has a Gmail account These emails and docs are kept for each new board to access. The Manager also has it's own Google docs and email which transfer to any new manager.</p>

2. Do any Cooperative use a transfer agent that is not Edmund J. Flynn? **NO** If so, who is that organization? **we also work with Monarch Title, Inc**
210 7th St Southeast, Suite 100
Washington, DC 20003

www.monarchtitle.net

O-202 810 8800

F- 202 546 3101

Claudia Roca, Director of Cooperative Division

croca@monarchtitle.net

3. Do any Cooperative have a policy addressing non-Homestead apartments? Is there a limit in place on these types of shareholders such as second homes, rental apartments, adult children or other family members, etc.? **House Rules and By-Laws offered below:**

House Rules

A. MAINTENANCE OF THE ROSTER

Roster information is kept on registration cards. Blank cards are available at the front desk.

1. OWNERS

Owners are required to complete 1 registration card per apartment and file it with the Ontario General Manager as part of the admissions process, and to update this information whenever changes occur, or when they are to be absent from their apartment for more than 30 days.

2. RENTERS

Renters are required to complete 1 registration card per apartment and file it with the Ontario General Manager as part of the admissions process, and to update this information whenever changes occur, or when they are to be absent from their apartments for more than 30 days.

3. GUESTS

a. Authorization for Admittance

If a guest is to have access to apartment keys, it is the responsibility of the owner or renter to complete a form authorizing the guest's admittance (admit slip), which will be kept at the front desk. Guests are not to have access to the exterior door key.

b. Registration Card

If the owner or renter will not be in residence during the guest's stay, or when a guest's stay extends beyond 30 days, it is the responsibility of the owner or renter to register the guest before the guest's arrival by filing a registration card at the front desk.

c. Admission Committee Interview

When the guest plans to stay beyond 30 days, it is the responsibility of the owner or renter to notify The Ontario General Manager and the chair of the Admissions Committee. At the discretion of the chair, the Admissions Committee may meet with the guest.

d. Guest Certification

If a guest is in residence in the absence of the owner for more than 45 days, the owner and guest shall each submit to the Board (preferably before the Owner's departure) a written affirmation that no money or other rent in kind will be paid by the guest in return for occupancy of the apartment.

e. Guest Re-certification

After 1 year of occupancy, and on each anniversary thereafter. It is the responsibility of the owner and guest to re-certify in writing to the Board that no rent is being paid.

f. Departure of Guest

It is the responsibility of the owner or renter to notify The Ontario General Manager promptly upon a long-term guest's departure.

SECTION IV. USE OF APARTMENTS

A. SUBLEASING

Subleasing of an Ontario apartment is prohibited.

B. BUSINESS AND COMMERCIAL USE

An Ontario apartment is to be used as a residence (see Bylaw Nos. 62 and 66 and Ownership Contract Clause 5). Use of an Ontario apartment solely for business or commercial purposes is prohibited.

C. HOME OFFICE

An Ontario apartment may contain a home office, provided its use does not require walk-in trade or excessive equipment, deliveries, or traffic; and does not violate zoning laws of the District of Columbia.

D. ROOM RENTALS

Pursuant to the Bylaws, the House Rules and the Cooperative Apartment Ownership Contract, all rentals require the prior written approval of the Board of Directors, including rentals of entire apartments and rentals of individual rooms in apartments that are occupied by members. In addition to all applicable existing House Rules, the following additional House Rules shall apply to rentals of rooms in apartments that are occupied by members:

1. Not more than one individual room may be rented, to not more than two rental occupants, in an apartment in which the member is currently residing.
2. The term of a room lease in a member-occupied apartment shall be a minimum of 6 months.
3. Should the renters of a room in a member-occupied apartment move out before the end of their lease term, a new renter will not be allowed in the same apartment until the term of the original room lease has expired.
4. A room lease in a member-occupied apartment may not be sublet or assigned.

BYLAWS

66. (a) All rentals must be approved by the Admissions Committee and the Board of Directors in accordance with the Ontario's usual admissions process. In addition to the information required of prospective purchasers, prospective tenants must submit a signed statement, in a form to be determined by the board of directors, affirming their

obligation to keep informed of and adhere to all house rules and bylaws.

(b) All leases must use include the standard Ontario lease addendum form, provided to all renters and members owners of Ontario apartments upon request.

(c) Owners are responsible for any damage caused by tenants, and for any fines or late fees imposed due to any action or inaction of tenants.

(d) All leases shall be for a period of 12 months. The Board of Directors may waive this condition and allow a lease for a shorter term in the case of a member who wishes to rent an apartment in which he or she has resided for at least one year. Request for such waivers must be made in writing to the board. Such waivers shall be granted solely at the board's discretion. Notwithstanding the foregoing provisions, while a member is residing in his/her apartment, the member may rent one room, but not more than one room, in the member's apartment, to a tenant, for an initial lease term of not less than 6 months. No apartment shall be rented for transient or hotel-type uses.

(e) No rental shall be approved unless the member has been a resident of the Ontario, residing in the apartment to be rented, for at least one year prior to the effective date of the lease. The Board of Directors has the sole discretion to grant exceptions to this rule to prevent an unreasonable hardship.

(f)(i) A surcharge shall be imposed on the basic monthly cooperative assessment of any apartment that is rented. From the date an apartment is first rented through the next July 31, such surcharge shall be 10 %. The surcharge shall increase by 10 % on each successive August 1 that the apartment is rented (even if rented to a different tenant or by a different owner).

(f)(ii) If the number of rental units reaches 26 apartments, "the date an apartment is first rented" shall be deemed to be the actual date on which such apartment was first rented without being reoccupied by an owner for one year or more and a corresponding higher surcharge shall be imposed beginning the following month through the next July 31.

(f)(iii) The rental surcharge shall be assessed each month until such time as the owner ceases renting the apartment. If the owner ceases renting the apartment and then subsequently rents the apartment without an owner (even if a different owner) occupying such apartment for one year or more, the rental surcharge shall be reinstated at the pre-existing level plus 10 percent for each August 1 that has passed. If an owner occupies the apartment for one year or more, the rental surcharge on any subsequent rental shall begin at 10 percent and be increased by 10 percent on each August 1 thereafter.

(g)(i) If at any time the number of rentals reaches 25 percent of the total number of apartments in the building, no further rentals shall be approved until such time as the number of existing rentals decreases below that level. During any periods in which rentals are at the 25 percent level, apartments already rented may continue to be rented, either by renewal or by rental to new tenants.

(g)(ii) The board shall permit no exceptions to this rule, except as provided in paragraph 66(h). Members considering the rental of their apartments at some future time should keep informed of the overall level of rentals in the building, and must accept the risk that intervening rentals may result in the denial of their applications.

(h) The board of directors may approve a rental notwithstanding the provisions of paragraph 66(g) in the case of an owner who wishes to rent an apartment in which he or she has resided for at least one year, and which he or she intends to re-occupy within two (2) years. Such waivers must be requested in writing to the Board and shall be granted solely at the boards' discretion. The Board of Directors may withhold the granting of a waiver in any circumstances it deems appropriate when the operation of the building could be compromised. This includes, but is not limited to, instances where lenders or insurers would be unwilling to place financing on a building with rentals above the 25

	<p>percent level, where the insurability of the building will be affected, or where the IRS tax status of the cooperative could be affected. It is intended that waivers be allowed only in cases where temporary employment or other compelling circumstances require that the owner reside elsewhere for a limited period of time. However, no rental shall be approved pursuant to this paragraph under any circumstances if the additional rental would result in an overall rental level of 30 percent or more. It is the Ontario's policy to prohibit absolutely any additional rental if the additional rental would cause the Ontario to exceed the maximum percentage of rental apartments permitted by any and all recognition agreements.</p> <p>(h)(i) In calculating the percentages of overall rentals for purposes of paragraphs 66(g) and 66(h), two or more adjacent apartments that are occupied as a single living unit shall be counted as one apartment, whether rented or owner-occupied. Apartments occupied rent-free by the resident manager or other staff member shall not be counted.</p>
120-280 units	<p>1. Do any Cooperative Boards use an app such as Google docs to conduct business outside of meetings? An example would be to amend minutes so they can be published in a timelier manner. We have a Google account and we use it as a repository, mainly.</p> <p>2. We use Flynn.</p> <p>3. Do any Cooperative have a policy addressing non-Homestead apartments? Is there a limit in place on these types of shareholders such as second homes, rental apartment, adult children or other family members, etc.? Yes, we amended the by-laws to be able to pass the excess real estate tax to those units who are not homestead due to not being primary residence.</p>
120-280 units	<p>1. Do any Cooperative Boards use an app such as Google docs to conduct business outside of meetings? An example would be to amend minutes so they can be published in a timelier manner. No.</p> <p>2. Do any Cooperative use a transfer agent that is not Edmund J. Flynn? If so, who is that organization? EJF handles about ½. The rest are handled by Monarch.</p> <p>3. Do any Cooperative have a policy addressing non-Homestead apartments? Is there a limit in place on these types of shareholders such as second homes, rental apartment, adult children or other family members, etc.? No.</p>
120-280 units	<p>2. Do any Cooperative Boards use an app such as Google docs to conduct business outside of meetings? An example would be to amend minutes so they can be published in a timelier manner. No, Board doesn't use Google Docs.</p> <p>2. Do any Cooperative use a transfer agent that is not Edmund J. Flynn? No. We use Edmund.</p> <p>3. Do any Cooperative have a policy addressing non-Homestead apartments? No.</p> <p>Is there a limit in place on these types of shareholders such as second homes- No</p> <p>rental apartment- We charge a rental surcharge that is more than what we would lose for that unit's homestead.</p> <p>Only units can be rented after 2 years of ownership and no more than 5 years- decide to return or sell.</p> <p>adult children/family members, etc.? Any immediate, non-owner, family member wishing</p>

	to reside in the unit must be approved as a "long term guest". For non-family, long-term guests, when the owner is not living there (No lease or paying guest) , we surcharge 5% of their monthly coop fee.
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