

Summer – Fall | 2024

Serving the District's cooperative housing community for 40 years

The Coalition's Annual Meeting for 2024, with a Presentation on Solar Power

The Coalition held its annual meeting on October 24 via Zoom. The DC CHC Board reported on this year's activities, and members elected a slate of directors for 2025. Twenty-one member cooperatives representing 2,418 units took part.



A typical solar installation. A presentation on Solar Power was given at the Annual Meeting

Prior to the business meeting the Board organized a presentation on solar power with a panel of experts representing a D.C. energy consultancy, Honeydew Energy Advisors, and one of our member co-ops, The Ontario, represented by General Manager Nathalie Lawrence.

Honeydew's Julian Belilty and David Longard outlined the solar options available that can help cooperatives reduce energy expenses and take advantage of tax and other incentives. One option is Full Ownership, although Belilty noted that few cooperatives have gone this route. More common are either a net-metered Power Purchase Agreement where a third-party company owns the solar array and electricity generated is sold to the co-op at a

fraction of PEPCO's rate, or a Roof Lease where a third party pays the co-op a rental fee and 100 percent of the generated electricity goes to the grid. One issue to consider, Belilty said, is that a Roof Lease arrangement will not improve a building's Energy Star score.

A variety of solar array systems are available. On a flat roof, a ballasted solar racking system requires no penetration of the roof itself. An elevated canopy array can be used if there are many rooftop obstructions such as HVAC units.

The Ontario's Lawrence spoke about how cooperatives should approach a solar project. She advised that hiring an energy consultant to guide your co-op through the project can help avoid pitfalls. It is important to get a good site assessment. One question before installation is whether the roof should be replaced prior to putting in a solar system. An energy consultant can help navigate local laws and regulations.

Lawrence emphasized that a maintenance agreement, including regular cleaning of the panels, should be part of the agreement. Co-ops also need to ensure that other contractors and building staff can easily access the roof after installation. Other installation considerations include how panels will get to the roof and how the solar array

will connect with a lower-level utility room. Commercial warranties for solar systems typically run 25 to 30 years.



Main solar speaker Julian Belilty from Honeydew Energy Advisors

June Seminar: Insurance Challenges for Co-ops

In early June, the Coalition organized a member seminar, "Co-op Insurance – Navigating the New Normal." Two insurance experts and the *Board Vice President* of Copley Plaza (a Coalition member co-op) spoke about how the insurance market has changed and what co-op boards need to know to ensure they can get proper coverage.

Davis Sherman with Copley Plaza, who also serves on the Coalition Board of Directors, said his building undertook a deep dive into insurance after the building's carrier doubled their deductible and premium. He emphasized that Boards need to be diligent to ensure they have proper coverage, work with shareholders so that there are no gaps between the building's coverage and individual homeowners' insurance. When something happens that causes damage, carefully consider whether to file an insurance claim, Sherman said. To prevent larger insurance premium increases, it is better to avoid filing if possible.

Robin Manougian with JGS Insurance said the challenging market is expected to continue and has been affected by several factors, especially the partial collapse of the 12-story Surfside condominium building in Florida in 2021, and the greater risk posed by more numerous major weather events and natural disasters. She noted that insurers are now closely scrutinizing how buildings are handling maintenance and repair and if they are

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June Seminar (from page 1) putting away sufficient funds for reserves – at least 10% of their budget each year. Insurers see red flags when among other things, buildings frequently use special assessments, have significant deferred maintenance problems, and file repeated insurance claims.

Christa Brady with USI Insurance Services LLC said insurers now consider structures built before 1980 as “older or mature buildings” and those that lack automatic sprinkler systems, have older wiring or now obsolete fuse boxes as greater risks. While loss history used to be the driving force behind premium increases, the age of a building is now the first consideration, Brady said. Some co-ops may need to consider upgrades, known as “modern life systems,” to mitigate fire risk but this of course can be expensive to the point of being out-of-reach for older buildings. The message was clear that co-op Boards need to ensure that they have a reserve study that is followed, are budgeting realistically and setting aside reserve funds for repairs and replacements, and don’t have insured losses over 5 years that exceed 35% of their insurance premiums.

BEPS Continues in DC

District co-ops need to remain mindful of the BEPS program. It’s a matter that ought to be actively monitored by all major property owners in the city. This program, the Building Energy Performance Standards, is currently being reviewed and adjusted by the city, but it still has specific efficiency requirements for all medium and larger-sized co-ops. For them, BEPS will affect their present-day operations and future planning.

CTA: The Corporate Transparency Act

NOTE: The information in this article is provided to members of the DC Cooperative Housing Coalition (DC/CHC) as a brief summary for general informational purposes only. DC/CHC cannot provide legal advice or legal recommendations about the CTA, or about other legal matters. The information is not intended as legal advice or legal recommendations and cannot be relied upon as such. Each cooperative’s Board should consult with the cooperative’s own attorneys to determine what specific action must be taken to comply with the CTA.

As noted in several alerts e-mailed in recent months to DC/CHC members, the Corporate Transparency Act (CTA) requires many corporations in the U.S., including housing cooperatives, to file reports with the U.S. Treasury Department. Under this act, reports must be filed by the end of this year (2024), and there are severe penalties for non-compliance

Background - Purpose and Scope

The CTA is a federal anti-money laundering law. The underlying policy objective is to address the use of “shell companies” that facilitate tax evasion, human trafficking, and other criminal activities.

The law has a very broad scope. Most companies in the United States will be considered “Reporting Companies” and will be required to report information about their “Beneficial Owners,” (i.e., the individuals who own or control the company) to the Financial Crimes Enforcement Network (FinCEN), an agency of the Treasury Department.

The “Reporting Companies” affected by the CTA include most domestic corporations and various other kinds of business entities, such as limited liability companies, limited partnerships, etc.

The CTA exempts various categories of companies from the reporting requirements. However, housing cooperatives, condominium associations and homeowner associations are **NOT** among the exempt categories, so they are covered by the CTA’s reporting requirements. Also, while there have been efforts, led by the Community Associations Institute (CAI), to

lobby Congress to exempt cooperatives, condominium associations and homeowner associations from the CTA’s reporting requirements, those efforts have so far not succeeded. Unless the law is changed or is ultimately invalidated by the courts, compliance is required.

Reports to be Filed

Each Reporting Company must file Beneficial Owner Information (BOI) reports with FinCEN, providing information about the individuals who: (1) own a 25% equity stake in the company, or (2) exercise substantial control over the company.

In a cooperative, the only “Beneficial Owners” usually will be the people who exercise substantial control over the organization, which typically would mean the cooperative’s officers and directors. However, if any member of a cooperative happens to own 25% or more of the shares or ownership interests in the cooperative, that person also will be a “Beneficial Owner.”

The following information must be included on the BOI report for each “Beneficial Owner”: (1) a taxpayer identification number; (2) the person’s full legal name; (3) the person’s birthdate; (4) the person’s address; and (5) a unique identifying number from, and an image of, an acceptable identification document, such as a passport.

A cooperative also will be required to disclose on the BOI report: (1) the cooperative’s full legal name; (2) any trade or “doing business as” names; (3) a complete, current address including the street address of the principal place of business, (4) the state in which the cooperative was incorporated; and (5) the cooperative’s IRS Taxpayer Identification Number (TIN) (including an Employer Identification Number).

In addition, any updates or corrections to any of the information previously filed must be submitted within **30 days**.

Penalties for Non-Compliance

Companies failing to comply with the CTA’s reporting rules, including failing to provide complete or updated information, or reporting false or fraudulent information, could face civil penalties of up to \$500 a day, as well as criminal penalties, including up to \$10,000 in fines and/or imprisonment for up to two years. Although a cooperative

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Recent Surveys Done by the Coalition

The following Coalition member-requested surveys were conducted and the results were shared with member co-ops' presidents, managers, and their representatives to the Coalition. How widely the results are distributed to others is a co-op's responsibility. These surveys (to the right) were conducted from April 2024 through September 2024.

Member Surveys

- Gas Smell Protocol and Practices (May 2024)
- Roof and Solar Panel Contractors (June 2024)
- Real Estate Sale Signage (July 2024]
- Laundry Vendor (September 2024)
- Board Treasurer (September 2024)
- Service Requirement in the Co-op (September 2024)

In Memoriam - Carl Gerber

Carl was the long-serving and well-liked Board President of the Coalition during many of the first 15 years of the 2000's. In 2015 he retired to Oberlin Ohio, and passed away in October of 2024.



1936 - 2024

Carl was born in 1936 in Ohio and grew up in Cleveland. He graduated from Oberlin College and then went on to attain advanced degrees. He

later moved into civic work and for many years productively worked for the federal government.

The CTA (from page 2)

corporation, as the "Reporting Company," has the reporting obligation under the CTA, it is critical that any potential "Beneficial Owner", including the individuals exercising substantial control over the cooperative (i.e. the officers and directors) make sure that the CTA's reporting requirements are met, to avoid possible civil or criminal penalties.

BREAKING NEWS CTA REPORTING DEADLINE EXTENDED TO JANUARY 13

On December 3, 2024, a Federal court in Texas issued an order imposing a preliminary injunction temporarily stopping enforcement of the Corporate Transparency Act (CTA) and staying the requirement that reporting companies submit their reports by January 1, 2025. Subsequently, however, a decision by the 5th Circuit Court of Appeals on December 23rd removed the injunction and reinstated the report filing requirements, so that reporting companies must file their BOI reports with FinCEN.

Given this late-breaking court development, the Treasury Department has extended the reporting deadline from January 1, 2025 to January 13, 2025 to file the required beneficial ownership information (BOI) reports with FinCEN. This continues to be a developing matter, but at the time of this communication housing cooperatives and other companies covered by the CTA need to be sure they file the required reports by the extended deadline.

Special Thanks to the National Co-op Bank

Here's a look at this respected supporter of the Coalition

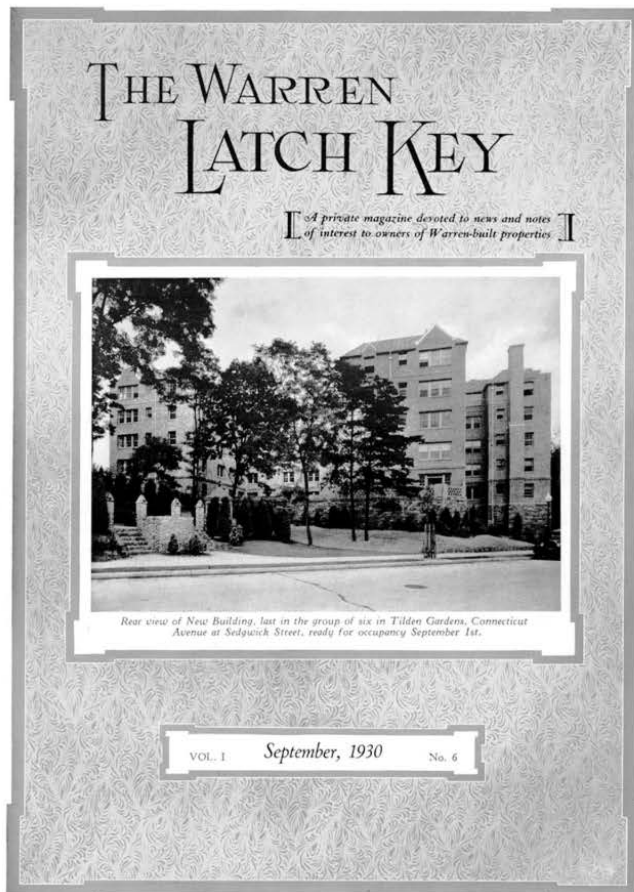
The NCB (National Cooperative Bank) is a congressionally chartered cooperative bank in the United States that was created by the National Consumer Cooperative Bank Act of 1978 (Pub. L. 95-351). NCB offers banking products and services to cooperatives and their members nationwide. It is the only bank in the United States specifically dedicated to delivering nationwide banking products and solutions to cooperatives and other member-owned organizations to help communities thrive. Moreover, NCB has for many years demonstrated its ongoing commitment to support housing cooperatives in Washington, D.C., by sponsoring and helping defray the cost of various DCCHC activities and projects, such as the printing and re-printing of the Coalition's booklet, Co-ops 101. We are especially grateful for the help NCB has provided and continues to provide.

Coalition Website

Our website continues to evolve. We have recently activated a new "Members Only" portal that now contains information from the Coalition, such as past seminar presentations, newsletters, and member survey results. We are providing instructions to Coalition members on how to access this portal. Unit owners of member co-ops can access the portal and will be given directions on how to create their own entry password.

Join the Coalition

If your co-op is not already a member of the Coalition, please consider contacting us. Joining is easy and the cost is modest. There are many benefits of being a part of the DC co-op community: friendly people, news for co-ops, and a trove of useful information on the sound operation of co-ops.



The **Latch Key** was a polished newsletter from the Warren Brothers, Monroe and Robert, and went out to their various developments. The issue shown above, from September 1930, featured Tilden Gardens which was their most prominent co-op project. This publication was a mix of timely and useful information, and company promotions, along with various social conversations and stories – meant to be a friendly production. A century ago it was a time before electronic social networks, so paper creations were a more important resource, and were often used to present opinions and to proudly show off personal doings and achievements.

The Warren Brothers were co-op creators and co-op boosters, as well as being civic boosters in general. While Monroe was busy here in DC, his brother Robert was working with national Real Estate groups to promote the **co-op** model as a healthy urban ownership format for the U.S.

Today, many individual co-ops produce their own newsletters. These publications carry a range of articles, from serious topics to personal pieces and member photos that help to define the co-op.

Looking Back at Our Past – How Co-ops Connected Using Newsletters

Co-ops from their early beginnings – on up to today – have endeavored to be places for good homes for people wanting an urban residence. Now with any flourishing group, effective communication is important and useful. And very many co-op members have been (and are) interested in creating a friendly community and in being good neighbors. After the early co-ops were set up with some thoughtful legal documents, the co-ops needed regular lines of communication. And so over time newsletters of all sorts were created, for various reasons, by various groups. Some were from official, established organizations, some were informal from the co-op itself, and some were crafted by individuals for social or personal reasons. Other newsletters were proudly produced to allow individuals to show off their homes and their creations. Before our modern electronic networks, the methods of conversing within a group were certainly more limited, and so quite a bit of the energy that we see going into the internet was focused onto paper creations which were produced in an assortment styles.

Historically, along with our marvelous civilization, newsletters have evolved as the complexities of our cities have grown, and as people wanted to better express themselves. In ancient Rome, newsletters were exchanged by city officials and also by friends, as the developing need arose. By the Middle Ages, they were used by the emerging merchant class to help with commerce. In fact the newsletter, an early form of “delivering the news”, was the forerunner of today’s newspapers and journals, which now operate in such a great variety of formats.

So over the years and with various designs and constructions, newsletters have grown up – coming about, being useful and worthwhile, and then very often fading away. No doubt, many co-op now have old newsletters buried in their records. Today with our modern internet offerings, we can see all sorts of similar creations. Many are called blogs or journals – official and home-made – but most efforts can trace their ancestry back to what developed as “The Newsletter”.

ACCOUNTANTS

Goldklang Group CPAs, P.C. 1801
Robert Fulton Drive, Suite 200
Reston, VA 20191
703-391-9003
Contact: Laura Monahan,
Firm Administrator

BANKS

National Cooperative Bank
2011 Crystal Drive, Suite 800
Arlington, VA 22202
703-302-1936
Contact: Greg Daniszewski

**CONSTRUCTION
MANAGEMENT**

Fletcher Consulting
225 Reinekers Lane,
Suite 610
Arlington, VA 22314
703-662-4500
Contact: Mark Fletcher, Manager

**CONSULTING / LEADERSHIP
TRAINING**

Association Bridge, LLC
P.O. Box 401
Damascus, MD 20872
240-372-0905
Contact: Thomas L. Willis, PCAM

LEGAL SERVICES

Caulkins & Bruce, PC
2311 Wilson Blvd, Suite 625
Arlington, VA 22201
703-558-3696
Contact: Patricia Bruce, Partner

Costello, P.C.
1328 R Street, NW
Washington, DC 20009
202-239-2539
Contact: Daniel M. Costello, Partner

Fellner Legal Services
485 Ritchie Highway, #203-D
Severna Park, MD 21146
Phone: 443-906-0117
Contact: Brian R. Fellner, Managing
Attorney

Whiteford Taylor & Preston
1800 M Street, NW, Suite 450N
Washington, DC 20036
Phone: 202-659-6800
Contact: Joseph D. Douglass, Partner

ENERGY

Baumann Consulting
1424 K Street, NW, Suite 500
Washington, DC 20005
202-608-1334
Contact: Jochem Schaefer, SVP,
Director, Marketing & Business
Development

Honeydew Energy Advisors
1807 Varnum Street, NW
Washington, DC 20011
202-670-9637
Contact: Julian Belilty, CEO

Pemco Capital
500 Village Square Crossing, Suite 203
Palm Beach Gardens, FL 33410
561-676-2983
Contact: Joshua Heald, Managing
Director

MANAGEMENT COMPANIES

EJF Real Estate Services
1428 U Street, NW, Second Floor
Washington, DC 20009
202-537-1801
Contact: Scott Burka, President

**Gates Hudson Community
Management, LLC**
3020 Hamaker Court, Suite 300
Fairfax, VA 22031
703-752-8300
Contact: Jessica Gray, Client Relations

**MORTGAGES / LENDERS
(SHARE LOANS)**

First Savings Mortgage
6550 Rock Spring Drive #300
Bethesda, MD 20817
202-302-9692
Contact: Matthew Palmer, Loan Officer

National Cooperative Bank
2001 Pennsylvania Avenue, NW,
Suite 625
Washington, DC 20006
202-349-7455
Contact: Ryan Greer

**MORTGAGES / LENDERS
(UNDERLYING LOANS)**

Firsttrust Bank
15 E. Ridge Pike
Conshohocken, PA 19428
610-238-5095, 215-939-6479 Contact:
Dawn Kearney, Vice President

**SERVICE PROVIDERS
Supporting the Coalition**

National Cooperative Bank
2011 Crystal Drive, Suite 800
Arlington, VA 22202
703-302-1936
Contact: Greg Daniszewski

Greystone
111 Rockville Pike, Suite 1150
Rockville, MD 20850
240-605-3949
Contact: Cullen O'Grady, Managing
Director

REAL ESTATE BROKERAGES

EJF Real Estate Services
1428 U Street, NW,
Second Floor
Washington, DC 20009
202-537-1801
Contact: Scott Burka, President

**SOFTWARE / WEBSITES FOR
CO-OPS**

Rivendell International
Washington, DC
202-744-1783
Contact: Andrew Aurbach

Buildinglink.Com
2465 Centreville Road, J-17-198
Herndon, VA 20171
703-295-0853
Contact: Robert Garcia

**STEAM HEATING PRODUCTS
AND SERVICES**

Honeydew Energy Advisors
1807 Varnum Street, NW
Washington, DC 20011
202-670-9637
Contact: Julian Belilty, CEO

**TRANSFER AGENTS /
SETTLEMENT COMPANIES**

**Edmund J. Flynn Company/FACTS
LLC**
5425 Wisconsin Ave, Suite #303
Chevy Chase, MD 20815
Main Office Phone 202-537-1800 Or
Direct Line 202-249-7794
Fax 202-363-1377
Contact: Brandon Aefsky, Assistant
Vice President

Board Of Directors

President

Russ Rader
Westmoreland, 60 units

Vice President

Karen Jones
Harbour Square, 447 units

Secretary

Janis Oehmann
The Altamont, 49 units

Treasurer

Matt Buzby
The Broadmoor, 194 units

Directors

Fred Carter
1661 Crescent Place, 55 units

Loretta Glaze Elliot
Shoreham West, 60 units

Arthur Leabman
1870 Wyoming Avenue, 28 units

Stephen McKeivitt
Beverly Court, 39 units

Ray Olson
River Park, 518 units

Harold Pskowski
3020 Tilden Street, 21 units

Davis Sherman
Copley Plaza, 109 units



To Contact Us

DCCoopCoalition@gmail.com

Counsel

Joseph Douglass
Whiteford, Taylor & Preston, LLP
1800 M Street, NW, Suite 450N
202-659-6779
jdouglass@wtpplaw.com

Administrative Assistant

N. Blake Jones
404-210-0799
DCCoopCoalition@gmail.com

DC Cooperative Housing Coalition

Helping Co-ops Flourish



About DC/CHC, the Coalition

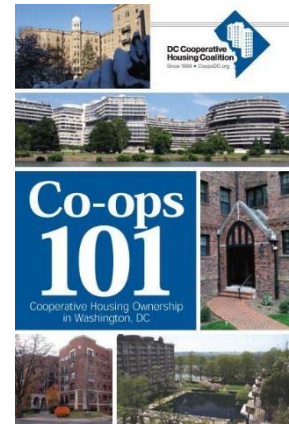
Established in 1984, the DC Cooperative Housing Coalition exists to advance the common interests of cooperative housing associations in the District of Columbia and to promote cooperative housing as a desirable form of home ownership. It is therefore both an advocacy organization that articulates the 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.

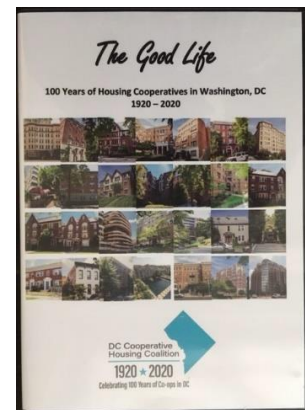
Recognizing the importance to the cooperative housing community of speaking in a single voice and maintaining the ability to respond quickly and knowledgeably to matters affecting cooperative housing, the ad-hoc group decided to form a permanent organization.

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 14, 1993.



Co-ops 101 Free Download:

<http://coopsdc.org/wp-content/uploads/2014/07/Co-ops101-PDF.pdf>



The Good Life, 100 Years of Cooperatives in Washington, DC, 1920 – 2020

15 minutes. DVD, or video:

<https://www.youtube.com/watch?v=W1wcBu3F8vY&t=24s>

Visit the Coalition's Website

Please visit our remodeled website. The Coalition has added resource materials. See what we have at: <https://coopsdc.org/members/>

Check out the member page for photos of member co-ops.

The Online Place to find a Service Provider:

<https://coopsdc.org/service-providers/>
Support those who support the Coalition and the District's market-rate cooperative housing community.