

Most Co-ops Still Healthy

Study Reviews Projects Spawned by Tenant-Purchase Law

By DEBBI WILGOREN
Washington Post Staff Writer

More than 80 low-income, cooperatively owned apartment complexes have been created here since a 1977 tenant-purchase law gave D.C. tenants a chance to buy their buildings before they can be sold to a third party, a study released last week said.

Most of those cooperatives are still operating as "little islands of long-term affordability" in neighborhoods where housing prices have skyrocketed, said Robert Pohlman, executive director of the Coalition for Nonprofit Housing and Economic Development, which compiled the study over the past two years.

But the study also found that about one in five has been sold or converted to condominium ownership, which in many cases means the cost per unit soars beyond the means of low-income households. And four co-op buildings were foreclosed upon because the tenants-turned-owners could not meet their monthly payment obligations.

The coalition conducted the first-ever comprehensive analysis in the District of limited-equity cooperatives. Those are multi-unit

residential communities whose members pay only a minimal down payment and monthly carrying costs that are far below market-rate mortgage or rent.

Limited-equity co-ops are one of several options for D.C. tenants trying to buy their buildings. The projects often are financed with federal and local housing subsidies available only for people with low to moderate incomes. If members of a limited-equity co-op want to sell their shares, they get back their down payment, plus a small appreciation.

As a result, owning a share doesn't provide the same opportunity to create wealth as owning a market-rate co-op or condo.

Some advocates say low-income residents should consider financing options that would allow them to sell their units at market rates after a certain number of years. That approach does build wealth for individual owners, making them more likely to stay involved in maintaining and running their buildings, those advocates say.

But proponents of limited-equity deals oppose selling the units at market rate, because doing so means the number of affordable units will eventually be depleted.

"We weren't interested in set-

ting up housing where we could make a lot of money off of it," said Linda Leaks, 56, who last year moved into a new limited-equity co-op in Columbia Heights after selling her share in a downtown co-op that she helped found in 1989. "The limited equity takes the profit out of it, but that keeps the affordability in."

Members of a cooperative can decide to sell their buildings, which is what happened at Leaks's old building, 919 L Street NW, several months after she left. Leaks said the members did not make much money on the deal, and the cost of living in the building will now rise considerably, as it has at other market-rate residences near the new convention center.

"That property is lost forever," Leaks said.

The study said 81 limited-equity co-ops are known to have been created since the D.C. Council passed the tenant-purchase law in 1977.

Of those, 57 co-ops—containing more than 2,200 residential units—remain in existence. Fourteen co-ops have been sold, two became condominiums and four were foreclosed on. The fate of four buildings could not be deter-

mined, the study said.

The median monthly carrying charge for existing co-ops is \$504 for a one-bedroom unit, \$587 for a two-bedroom and \$761 for a three-bedroom, according to the study.

The authors interviewed board members from 24 cooperatives. About four in five reported being in stable or good financial shape, while one in five was struggling with overdue monthly payments, high vacancies, unpaid bills and governance problems.

The study said board members would benefit from more support and training from the District's housing agencies, so that some problems could be predicted and avoided.

Leaders of well-run co-ops said their success came from strong involvement from most members and the willingness to address problems when they arise.

"We do what we have to do. If you become not a good neighbor, you've got to go," said Chester Speight, 50, a founding member of Hacienda Cooperative, in the 100 block of 58th street SE.

Over the years, he said, leaders of the 65-unit complex have had to ask four households to leave.

The study includes a map of limited-equity cooperatives, which are concentrated downtown and in Shaw, Columbia Heights, Adams Morgan and Mount Pleasant. But there is at least one in every ward, and several are scattered east of the Anacostia River and on either side of the upper Georgia Avenue corridor.

Council Names 28 To Housing Task Force


By DEBBI WILGOREN
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The D.C. Council on Tuesday appointed 28 members of a comprehensive housing strategy task force, which was proposed last year by Adrian M. Fenty (D-Ward 4) to study the city's housing needs and suggest policies and strategies for achieving them.

The task force includes private citizens, government officials, affordable housing advocates, representatives of financial institutions, and nonprofit and for-profit residential developers. They were nominated by Mayor Anthony A. Williams (D).

Committee members are charged with studying where affordable housing is most needed and for what income levels, what areas of the city are best suited for creation of more market-rate and below-market housing, and how to reconcile those needs with the mayor's goal of attracting and re-

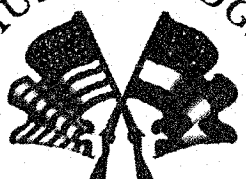
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