

The Porter and Its History

The Porter was built in 1925 by Morris Cafritz and the Cafritz Construction Company. Its original address was 3608 Connecticut Avenue, NW. 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, in 1891 and 1909.

Apartment living, in both co-ops and rental units, became very popular because of the serious inflation and growing population after World War 1. Other co-ops built during this period include 1701 Lanier Place, NW (1923), the Cleveland Park at 3018-3028 Porter Street (1924), 1661 Crescent Place, NW (1925), and Tilden Gardens (1927).

To protect traditional residential areas, the zoning law of 1920 restricted certain neighborhoods to single-family homes. Later amendments allowed apartment buildings in these neighborhoods, but only along one 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 apartment. Each shareholder also received a proprietary lease (occupancy agreement) for the apartment that he or she occupied. The apartments thus are not owned outright by the residents. To quote from the original Porter sales brochure,

“The cooperative apartment plan of home ownership presents the most economical method of obtaining and maintaining a home. It is less expensive in price and operating cost than any other form of home ownership. It is a simple application of the economic principle of combined purchasing power, large scale production and operation, together with the elimination of the wastes of renting. Under this plan a number of people use their collective purchasing power as tenants to buy and operate an apartment building and each co-owner selects an apartment to occupy as his home.”

The original mortgage was paid off in 1954. The corporation owns the building and the land outright.

The prices in 1926 ranged from \$3,500 for the block of shares assigned to the first and fourth floor efficiencies (105 and 405) to \$8,400 for the shares for units with two bedrooms and a porch (207 and 307). The estimated budget for the first year of operation was \$5,482. This included \$960 for 129 tons of coal, \$72 for ash removal, \$275 for insurance, \$729 for the janitor, and \$1,980 for real estate taxes.

The four-story brick building sits on three-tenths of an acre. There are 28 units, arranged in seven floor plan tiers, i.e., 01, 02, 03. There are four efficiencies, 21 one-bedrooms, and three two-bedrooms. Twelve of the units originally had porches which were later enclosed (03, 06, 07 tiers). For more details see the Floor Plan.

Finances

Budget

The budget is set by the Board of Directors. The proposed budget is discussed at the Annual Shareholders' Meeting.

Financial Statement

Each resident receives a copy of the corporation's monthly statement of income and expenses usually by e-mail.

The corporation was capitalized at \$165,000 with each share valued at \$100. There are thus 1,650 shares in the corporation. A block of shares was allocated to each apartment unit in 1926, based primarily on size, but reflecting other factors such as location in the building, room arrangement, amenities such as porch, and elevation. For example, a unit on the second or third floors has one more share than the same unit on the first or fourth floors.

Monthly Assessment

Each Porter shareholder pays a monthly maintenance fee based on the number of shares owned. The monthly fee is currently \$7.25 per share. This brings in \$11,962.50 a month, \$143,550 a year. The monthly fee is determined by the Board of Directors.

The fees are the primary source of income for the corporation. They pay for all normal operating costs: taxes, utilities (electricity for common areas, gas, and water), maintenance and repair expenses, insurance, household trash removal and exterminator services, supplies and management company fee as well as legal and accounting services and licensing and membership fees.

Special Assessments

Special assessments are a tool available for the corporation to pay for large expenditures. When called for by the shareholders, each shareholder pays an amount, usually based on shares, over and above their monthly maintenance assessment.

Other Sources of Income

Application fees: A fee of \$250 is charged when a shareholder applies to sublease an apartment.

Fines: The Board of Directors has the power to impose fines for any breach of the Governing Documents.

Interest: The Porter is paid interest on the Reserve fund monies that are invested in a Money Marke and CD's. Because the checking account is a business account, it cannot earn interest.

Key deposits: Shareholders can purchase additional keys for the front and back doors as well as proximity cards for the front door. This money is returned to the shareholder when the key(s) or proximity card is/are returned.

Laundry: The money from the laundry machines is deposited in the corporations account.

Late fees: A charge of \$20 is made if a shareholder has not paid the monthly assessment by the 4th day of the month.

Governance

Documents

The corporation is governed by four documents: the Articles of Incorporation, the Bylaws, the Occupancy Agreement, and the House Rules which are posted on the Web site.

The Articles of Incorporation establish The Porter, Inc. as a Delaware-based corporation for the purpose of selling shares and operating a cooperative apartment building.

The Bylaws set forth the corporation's operating rules and regulations. These relate to the business of running the corporation, i.e., duties and qualifications of officers and directors, meetings, voting, sales of shares, subleasing of units, entering into contracts, selling the building.

The Occupancy Agreement is the lease between the corporation and the shareholder. It covers the responsibilities of each party with regard to the use and possession of the property of the corporation.

The House Rules "promote the general welfare of the residents of the building and protect the value of the corporation's property." They implement various items in the Occupancy Agreement.

In addition to the above, the Board may establish procedures to be followed by shareholders and other residents, e.g., moving procedures. All procedures and policies are posted on the website.

Amendments

Amending or repealing the corporate documents usually requires two-thirds vote of a majority of shareholders. Certain sections of the Bylaws require a three-fourths vote. Shareholders must receive a copy of the proposed change at least 21 days before the vote is to be taken.

Annual Meeting

Shareholders meet formally at least once a year, on the first Wednesday in October. The annual meeting is held at The Porter. A notice, stating the date, time, place of the meeting, and the business to be conducted, is distributed to all shareholders at least two weeks before the meeting.

Agenda items: Any shareholder may raise an issue to be discussed at the Annual Meeting. Shareholders are urged to submit agenda items to the Board by the middle of September so they can be included in the meeting notice. Or a shareholder may distribute information about the issue directly to the other shareholders. If the issue will require a vote, shareholders must be notified at least two weeks in advance.

Proxies: Along with the meeting notice, shareholders receive a proxy voting form.

Board of Directors and Officers

The volunteer directors and officers run the building and the corporation. They work with the management company to ensure a smooth-running operation.

Make-up and election: Between five and nine shareholders are elected to the Board at each Annual Meeting. Any shareholder who is an occupant of The Porter is eligible to run for the Board. If interested, let a Board member know you wish to be nominated, or you may nominate yourself.

The Board elects the officers (president, vice-president, secretary, and treasurer) from its members. Directors and officers serve for one year.

Monthly meeting: The Board usually meets one evening each month to conduct its business. A notice of the meeting is placed on the bulletin board in the lobby. Any shareholder is welcome to attend these meetings.

Committees: The Board establishes various committees to help in the building management. Some are on-going, e.g., garden committee others are for special issues, e.g., building committee. Any shareholder may serve on a committee. Contact the Board for more information.

Special Shareholders Meetings

Periodically, a special shareholder meeting may be called by the Board. This is usually to discuss and vote on a change to the corporate documents or on a major expenditure.

Shareholders are notified in the same manner as for the Annual Meeting.

Who's Responsible for What

This is often the area of greatest misunderstanding between shareholders and the corporation. Shareholders are owners of the corporation, not their units. The corporation is the owner of the property (the landlord), and the shareholders are tenants.

The owners of the corporation, collectively, have placed certain restrictions on the use and occupancy of their property, and therefore on themselves as tenants.

Air Conditioners

When purchasing or replacing an air conditioner, make sure that the water condensing from the machine does not drip on the window sill or exterior of the building.

Apartment Repairs

As a tenant, you are responsible for decorating and keeping the interior of the apartment in good repair. However, the corporation keeps the right to approve any alterations to the structure, the plumbing, electrical wiring, or gas lines in the unit.

Therefore, before beginning any remodeling or other improvements, you must first notify the Board of Directors and complete a Renovation Application to obtain their approval.

The corporation has the right, after receiving permission from the tenant, to enter the apartment to make repairs or to provide normal services such as exterminator service.

Kitchen Appliances

A tenant is responsible for the maintenance or replacement of the electrical fixtures, refrigerator, gas range and any other appliance in the apartment. A dishwasher and/or garbage disposal may be installed, upon approval of the Board, thus becoming the responsibility of the tenant.

Laundry Appliances

Laundry appliances (washer or dryer) are not permitted in the apartments.

Plumbing

Tenants are responsible for maintenance and repair of plumbing fixtures in the apartment, as well as individual drain pipes. In a flooding emergency, the corporation has the right to enter an apartment. In the basement are shut-off valves for the hot and cold water going into each tier for the bathroom and kitchen. There are separate valves for each tier and they are located in different places in the basement. **Every tenant should know the location for all tiers' shut-off valves, in case they are the only person in the building at the time of a flood.** A map of the basement valves is posted on the Web site and is also posted in the basement.

To avoid costly plumbing repairs, put nothing down the toilet except toilet or tissue paper.

Cable

The Porter has made each unit cable-ready. Any tenant wanting cable TV service or computer hook up should contact the cable company. Subscription to cable is a tenant responsibility.

Common Areas

The corporation is responsible for maintaining the common areas of the property. These include the halls, lobby, stairwells, elevator, roof, and grounds.

Insurance

The Porter is responsible for repairing damage caused by failure of the physical plant within the building super-structure. The building pays for insurance to cover large damage issues. Damage caused by failure of the physical plant located within a particular unit is the responsibility of the tenant of that unit. **You are strongly advised to purchase insurance to cover such occurrences.**

Electricity

Tenants pay PEPCO for their individual electricity costs. Each unit has circuit-breaker box. Master circuit-breaker boxes for all units are in the laundry room.

Emergencies

If an emergency occurs when you are not in the apartment, The Porter will make a reasonable attempt to notify you and get permission to enter. To make this as easy as possible, tenants are asked to complete and return the Emergency Notification Form to the Board. Additionally, each tenant must provide the corporation with keys to their apartment. These keys are kept in a lock box that only a few Board members and the management company have access to. The back-up keys also simplify things if you are locked out of your apartment for any reason.

Gas

The corporation pays for all gas. Gas ranges are the only gas appliances allowed. The corporation has the right to enter an apartment in the event of a suspected gas leak. The tenant is responsible for maintaining gas ranges in working order. Many old ranges have been known to leak.

Heat

The apartments are heated by steam radiators. Each radiator can be turned on and off by hand. See radiator maintenance for more information.

The building heat usually is turned on in October, and off in the spring. When the outside temperature reaches a preset range the radiator will run for a set number of minutes each hour. The colder the temperature the longer the timer is set to run.

Taxes

The maintenance fee includes payment for all taxes, e.g., real estate, corporation franchise. Your share of the real estate taxes is deductible from your income tax if you

itemize. A notice stating the amount of real estate taxes per share is provided to each tenant prior to April 15th.

Homestead Exemption: Under the District of Columbia's Homestead Exemption Program, The Porter receives a reduction in its real property tax rate for each owner-occupied unit. To qualify, at least 50 percent of the units in the co-op must be occupied by shareholders for whom The Porter is their main residence.

Senior Citizen Homestead Tax Relief Program: Shareholders who are at least 65 years of age may be eligible for this District of Columbia program. Under the program, qualified senior shareholders are reimbursed by the DC government for a percentage of the real property taxes they paid as part of their monthly fees.

Windows and Shades

The shareholder is responsible for window repairs such as broken glass, or window malfunction. For cleaning the Pela windows, installed in 1998, a solution of vinegar water works best. Commercial window-cleaning products are not recommended by the window manufacturer.

The House Rules require that all window shades or curtains be white. This is to maintain an attractive, uniform appearance from the street.

Daily Living

Apartment Renovations

Before beginning any renovation or remodeling work, you must 1) notify and obtain permission, from the Board, in writing, and 2) leave a damage deposit of \$250 with the treasurer of The Porter. The deposit will be returned within 30 days of the renovation, less the cost of any damage resulting from the work.

Bicycles

The corporation tries to provide a secure location for bicycles but does not assume responsibility for the bikes placed there. Tenants are urged to register their bikes, free, at the fire station.

Bulletin Boards

The bulletin boards in the lobby and in the basement are for the convenience of residents. If you post something on one of the boards, please be sure to take it down when no longer applicable.

Carpets and Rugs

Eighty percent of the floor space in each apartment must be covered by carpets or rugs. There is no insulation between your floor and the ceiling of the apartment below you.

Charity Pick-ups

Occasionally residents pool large items for charity and call an organization for a pick-up.

This is something individual residents decide to do and not a service provided by the building.

Deliveries

If you will not be home when a delivery is expected, please make arrangements with a neighbor to receive the package.

Entrance Keys

The front and rear entrances to the building and the laundry room are opened with the same Medeco key. Keys are available from the Board of Directors. Each key costs \$40, which is refunded when the key is returned. When shares are transferred, the seller usually turns over his/her entry keys at settlement, and collects the fee from the buyer. A proximity card may also be purchased for \$20 and used at the front door.

Fire Alarms

There is a fire alarm on each residential floor of the building, along with a fire extinguisher. In the case of fire, first call 911 to alert the fire department and then pull the alarm to alert the residents of the building. The alarms **are not** connected to the fire department.

The fire alarms and extinguishers are tested regularly. Residents will be notified prior to a test of the alarms.

Guests

Entry System: The telephone entry system was installed for the convenience of tenants and their guests.

Long-Term Guests: If a guest will be staying with you for more than two weeks, notify the President of the Board, in writing, and include your guest's name. This measure helps the community know who is living in the building.

Resident Responsibility: You are responsible for the behavior of your guests.

Homeowner's Insurance

You are responsible for obtaining insurance to protect the property in your apartment, to protect yourself against personal liability claims in the apartment, and to provide coverage if you should cause damage to another apartment. Most insurance companies have "unit owner" policies for cooperative and condominium residences.

Laundry Facilities

The corporation owns two washers and dryers located in the basement. The laundry room door is opened with the building entrance Medeco key. When using the laundry, please keep track of the time so that others who want to use the machines are not kept waiting. Also, please be sure to check the lint filter before using the dryer and to empty it when you are finished. Do not leave laundry items in the laundry room.

Monthly Payments

Monthly maintenance fees are due on the first of the month. Checks are made out to The Porter, Inc., and sent to the management company. A late fee is charged if the check is not received by the 4th of the month.

Direct debit is encouraged to avoid confusion and the possibility of a late fee. Direct debit forms can be obtained from the management company.

Quiet Hours

Quiet hours are between 11:00 p.m. and 7:30 a.m. The volume for the playing of radios, TVs, stereos, or musical instruments must be kept moderate at all times so as not to disturb other residents. If you are not sure whether you're being too loud, check with your neighbor(s). If you are disturbed by another resident's noise, just knock on their door and ask them to be more quiet. If the problem persists, discuss it with a member of the Board.

Smoke Detectors

Each apartment is equipped with a smoke detector, connected to the electrical wires, as required by DC law. It is your responsibility to keep the detector free of dust and to check it periodically to be sure it is functioning correctly. A battery backup smoke detector is also a requirement and the resident's responsibility.

Storage Facilities

Each shareholder has an assigned storage area in the basement and a key to the room. Please be sure that your things do not spill over into your neighbor's area. It is helpful if you put your unit number and name on any boxes or other things stored in your area. Periodically the Board holds a "clean out" day for tenants to get rid of stored goods they no longer want.

Trash and Garbage

Where to put it: Bring trash bags, newspapers, magazines, and recyclables to the designated area outside the boiler room in the basement.

Recycling: The Porter currently recycles newspapers, magazines, glass and plastic containers, cans and cardboard boxes. Place these in the appropriate containers in the basement area.

Special Trash Removal: For removing large items of trash, e.g. from apartment work, our regular trash collector will have a special pick-up for your items and you will be billed, through The Porter's bill.

The Neighborhood

Parking Permits

Cleveland Park is a residential parking area. Cars parked on most streets for longer than 2 hours during the day must have a resident parking permit or they will be ticketed.

To get a permit for yourself, you must have DC tags and registration. Bring your car registration to 301 C Street, NW, Room 1063 (M-F 8:15am – 3:00pm) or to 616 H Street, NW, (M-F 11am – 7pm or Saturday 8am -4pm). The cost of the permit is \$10 a year. After the initial permit, the renewal is done by mail.

You can get a free, short-term permit for a guest by completing a form at Second District police headquarters at 3320 Idaho Ave., NW. Be sure to have the license number of the car.

Political Representation

The Porter is in Ward 3, Precinct 27.

Our Advisory Neighborhood Council is 3FO7. The office is at 4401 Connecticut Ave. The telephone number is 362-6120.

Residents vote at Eaton School, on 34th Street. between Lowell and Macomb Streets. Voter registration forms are available at the Cleveland Park Library.

Porter Activities

Activities at The Porter are generated by the residents. If you want to organize something, simply put an announcement on the bulletin board or speak to a member of the Board of Directors.

Garden and Grounds

The flower garden at the rear of the building is tended by the Garden Committee. New members are always welcome. Residents are urged to pick the herbs planted there. Volunteers water during the summer months.

The vegetable garden on the side of the building is planted and tended by residents. Contact a Garden Committee member if you want a gardening space there.

Weeding of the plants along the side of the building and the ivy banks is a volunteer effort among residents. Feel free to contribute. A sign-up sheet is posted in the lobby each spring. One weekend each spring the Garden Committee schedules a Grounds Clean-up when residents spend a morning weeding and pruning as needed. Tools are provided.

Holiday Party

Between Hanukkah and Christmas, The Porter holds a holiday party in the lobby. Residents bring food and beverages.

Yard Sale

Each year residents organize a yard sale in the back yard. Everyone is welcome to participate – as a seller or buyer.

Subleasing of Units

It is the intention and desire of the owners of The Porter, Inc. that the apartment building be owner-occupied. The shareholders recognize, however, that circumstances may arise when a shareholder may wish or be required to live away from the building temporarily or while in the process of selling his or her shares. The corporation therefore allows limited subleasing of up to one year in a three-year period. For more information see Article VI of the Bylaws.

Transfer of Shares

Shareholders putting their shares on the market are asked to alert the President of the Board of Directors of the pending sale.

No “For Sale” signs are allowed on the grounds or in windows. Signs for an Open House are permitted.

The real estate agent must have a copy of The Porter documents and budget available to show interested buyers. These are obtained from the management company.

The prospective buyer will be required to meet with the board for final approval.

When shares in the corporation are transferred, the Board issues a new stock certificate and occupancy agreement to the new shareholder. These “proprietary documents” serve as collateral for any mortgage or home equity loan.