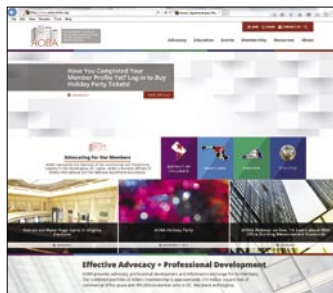




# 2017 YEAR IN REVIEW

## MOVING INTO THE FUTURE

As we look back at 2017, we are reminded of the impressive results that AOBAnet achieves – thanks to tremendous **member support**!



Two internal accomplishments helped position AOBAnet for the future. We launched a tech-savvy **website and database** in January that features cool bells and whistles – including the ability of members to update their own profile. An **office move** in June (just around the corner) provides efficient downtown workspace for staff and a modern conference room for meetings.

In addition, hard-working volunteers on AOBAnet's **Engineering Talent Task Force** developed a comprehensive report that paved the way for the establishment of the **AOBAnet Educational Foundation**. This workforce development initiative will focus initially on increasing the pipeline for office building engineers and maintenance technicians. The Foundation's very first project – set for Summer 2018– is an exciting **Internship Program**, developed in partnership with commercial owner/manager members (*photo above includes some of our Intern hosts, and AOBAnet consultant Marc Fischer.*)

We hope this summary of key accomplishment inspires you to **stay engaged** in 2018! As always, **more information is available online** or from your Association staff. We appreciate your continued support as we strive to meet the needs of the future.

*See inside for highlights on advocacy, education, community outreach and more! >>*



— APARTMENT AND OFFICE —  
BUILDING ASSOCIATION OF  
METROPOLITAN WASHINGTON

## MORE MEMBERS GIVE BACK AND MAKE AN IMPACT

Community outreach projects engaged more members than ever in 2017! Hats off to our Community Outreach Committee and Associates Coalition Team for their leadership.

These community programs would not happen without the strong support of AOBAnet's Associate members who lend their support to AOBAnet programs with sponsorship dollars, AND with their valuable time, passion and talent.

# DISTRICT OF COLUMBIA

## 2017 Advocacy Highlights

### Piecemeal Rental Housing Changes

**Opposed:** AOBA effectively opposed sweeping, *piecemeal* legislative changes to the District's rental housing laws. To inform policy discussions and advance the development of *comprehensive*, fair and workable policies, AOBA hosted a conversation for councilmembers and staff. The dialog enhanced their understanding of operating, maintaining and improving aging rental housing, as well as the unintended consequences of public policies that can hinder efforts to preserve existing affordable rental housing stock.

### Business-Friendly Tax Cuts Preserved:

Joining forces with a coalition of employers, businesses and individuals, AOBA worked to preserve \$100 million in scheduled tax cuts (including lowering the business franchise tax) recommended

by the District's Tax Revision Commission in 2014. The reductions bring the District's rate of 8.25% closer to those of its neighbors in Maryland (8.25%) and Virginia (6 percent).

### \$10 Million to Support Housing

**Preservation Budgeted:** AOBA strongly supported the inclusion of \$10 million in the city's Fiscal Year 2018 budget to implement the recommendations of the DC Housing Preservation Strike Force and to provide DCRA with additional housing code inspectors.

### Nearly \$1 Million Saved in Rental

**Unit Fees:** A proposed *significant* hike to the rental unit fee by the DC Council was avoided and a modest increase was approved, thanks to AOBA's advocacy work. This adjustment resulted in significant savings to members. ■



## Annual Events Offer Face-Time and Fun



Members look forward to AOBA events to meet, greet and recognize outstanding achievement in our industry. There's no substitute for "face-time" and strong attendance at this year's events demonstrate an ongoing enthusiasm for networking within our community.

This year's special events included the elegant **TOBY Awards Celebration**, lively **NAA**

**Maintenance Mania** competition, sold-out **Golf Tournament**, **Annual Meeting** and festive **Holiday Party**. Sincere thanks to all generous sponsors, and dedicated volunteers, for making AOBA's meetings and award programs possible. ■





# Professional Development Programs Focus on Best Practices

It's tough to stay current as technology and demographic trends bring constant change to our industry. During 2017,

members dedicated precious time to polish their skills, share best practices and get to know each other!

In addition to offering leadership development through the *Rising Leaders Network*, AOBA led seminars on topics ranging from the TOBY Awards (*winners pictured*), HVAC training and sustainability trends, to emergency preparedness for both commercial property management AND multifamily professionals. ■



**Cracking Down on Fraudulent Assistive Animal Requests:** AOBA introduced legislation in Richmond to address a huge spike in fraudulent requests for accommodation of assistance animals. The bills, which were signed into law and effective July 1, outline the process for responding to requests and stipulate that the person serving as the verifier of a disability must have a "therapeutic relationship" with the person requesting accommodation.

## VIRGINIA 2017 Advocacy Highlights

**Oppressive Local Parking Regulations Thwarted:** This is a creative case of "if you don't succeed, try again!" Against the strong opposition of AOBA and the local business community, the Arlington County Board adopted an extremely onerous "second signature" policy, requiring property owners to authorize the removal of each illegally trespassing vehicle from private parking lots. After AOBA rallied stakeholders to support legislation in Richmond to repeal the authority of all local governments in Northern Virginia to enact such regulations, Arlington's ordinance was successfully overturned.

**Defeating a Proposed Cap on Late Fees:** AOBA successfully opposed legislation seeking to cap allowable fees for late rent payments at 5% and allow tenants an extra 7 days before payment may be deemed late.

**Offsetting Costs of Stormwater Management in Alexandria:** Through meetings with City staff and AOBA members, the Association helped develop a new stormwater utility fee to moderate costs imposed on

members. AOBA's input additionally contributed to the establishment of a credit program to ensure that members/property owners receive credit for initiatives to remediate and retain stormwater onsite. ***Savings to Members: Up to 50% of a property's total stormwater utility fee.***

**Influencing Long-Range Planning in Loudoun County:** AOBA participated in the "Envision Loudoun" process, providing the County with research data and support for additional housing – beyond currently planned levels – to support workforce and economic development. AOBA's engagement resulted in action by the Board of Supervisors to pursue new funding and incentives for affordable housing.

**Expanding Educational Programming:** AOBA expanded its offerings of free educational programs for members with interests in Virginia, including annual fire systems training, a landlord/tenant law seminar and Lobby Day at the Virginia General Assembly. AOBA also facilitated training on responding to assistive animal requests and other fair housing issues. ■

# MARYLAND 2017 Advocacy Highlights

## Duplicative Elevator Inspections

**Defeated:** AOBA joined other property management organizations to defeat legislation that would have required a state inspector or third party qualified inspector to be physically present to witness annual elevator tests in Maryland. Representing a step backward in elevator safety, the bills would have exacerbated the shortage of qualified inspectors, increased costs and caused further delays in inspections.



## Opposing Discriminatory Water Rates:

AOBA successfully led the opposition to proposed state legislation that would have authorized WSSC to vary water and sewer rates based on customer classes. This bill would have been used to increase water and sewer rates for business customers.

## Property Manager Registration

**Avoided:** Thankfully, common sense prevailed! AOBA defeated ill-advised legislation that would have required persons to be registered as a property manager by the State Real Estate Commission before providing property management services in the State. The State Real Estate Commission would have determined qualifications for registration as a property manager, set fees for registration, and required a surety bond for each property manager of at least \$200,000 if the manager rented 20 properties or more.

## Avoiding Eviction Delays:

AOBA led the opposition to legislation that would have made numerous changes to the procedures by which residential rental property owners repossess their property when the tenant fails to pay rent when due. The bill would have potentially caused significant delays to eviction cases by allowing tenants to contest lead registration information, requiring postponements in certain cases and lengthening the initial scheduling of cases.



## Multifamily Wood

### Construction Ban Defeated:

AOBA joined allied business groups in defeating legislation that would have made it practically impossible to construct multifamily housing with frame construction. The bills would have replaced recognized national standards for building construction in



the International Building Code with arbitrary, confusing and super-abundant standards designed solely to promote construction with concrete. (*See more details online in [AOBA's 2017 General Assembly Session Recap](#).*)

## Relocation Cost Mandate Defeated in Prince George's:

AOBA successfully led the opposition to Prince George's County legislation that would have required multifamily rental property owners to pay relocation costs of three months' rent to a leaseholder when specified actions ended the use of the property as rental housing. The proposal was similar to existing laws in the City of Gaithersburg and Montgomery County.

## MONTGOMERY COUNTY HIGHLIGHTS

### Proposed Recordation Tax Increase

**Stalled:** An effective business coalition effort, led by AOBA, delayed Council action on a proposed increase to the recordation tax premium that would have disproportionately impacted members and other owners with properties and transactions valued over \$1 million. Due to AOBA's advocacy, the Council is only exploring lowering the rate for transactions valued at less than \$1 million.

### Mandatory Minimum Work Week Bill

**Defeated:** AOBA successfully advocated against legislation to mandate minimum hours for building maintenance workers. At the request of the County Executive, the legislation was removed – an action that helped save workers' jobs and prevented increased costs for AOBA's commercial members.

### Short-Term Rental Law Adopted with

**AOBA Amendments:** AOBA secured amendments to the County's short-term rental legislation which address several key member concerns, including:

**protect the lease:** use of short-term rentals must be expressly authorized by the lease; and **property owner's rights:** an applicant must notify the unit's owner of the application and owners have the right to challenge a license certification. ■



# Community Outreach Programs Provide Direct Support

(Continued from page 1)

## Support Provided Year-round for the Duckworth School

commitment to the James E. Duckworth School for children with disabilities rose to new heights this year. In the Spring, hardy volunteers undertook annual cleaning, landscaping and painting projects during *Clean Up Day*, and cheered students at the *Special Olympics Challenge Day*. In the Fall, more than 70 volunteers dedicated their time, talent and resources for *DIY Duckworth* – a first-ever MAJOR construction project that included renovating the Faculty Lounge AND rebuilding the school's Independent Living Apartment.

## 20+ Years of Scholarships

This fall marked the 21st year of AOBA's scholarship program for outstanding Prince George's County high school students, with 11 students presented with a \$6,000 scholarship to Prince George's Community College. Since the AOBA Scholarship Program was launched in 1996, AOBA members have raised \$908,800 which has supported the academic careers of 155 scholars at PGCC. ■



## BOMA, NAA Affiliation Provides Added Value

Each year, AOBA members receive tangible benefits from the Association's federation with the Building Owners and Operators Association International (BOMA) and the National Apartment Association (NAA). Through these affiliations, AOBA members are represented on Federal government issues, and have access to research, industry trends and opportunities to network with colleagues from across the nation. ■

# AOBA Alliance Continues to Grow Customer Portfolio



The AOBA Alliance experienced substantial growth in 2017 with the signing of new electric and natural gas customers in the Alliance core territory of DC, MD, VA and PA as well as in other jurisdictions throughout the country. Through the expansion program with Constellation, current AOBA Alliance

participants with properties outside of the Alliance core territory have been eligible to contract for energy using language from the AOBA Alliance agreement.

In addition, the AOBA Alliance successfully renewed current electric and natural gas customers for multiyear contracts with terms extending through June 2023. Together with Constellation, the AOBA Alliance continues to offer

the most competitive electricity and natural gas supply pricing, green energy offerings, utility budgeting assistance, and a unique energy contract with terms that are tailored to meet the specific needs of commercial and multifamily customers.

*Not a current AOBA Alliance participant? Please contact April Kreller at (202) 296-3390 or [akreller@aoba-metro.org](mailto:akreller@aoba-metro.org) to learn more. ■*

## UTILITY RECAP

AOBA's utility advocacy team had an extraordinarily busy year litigating a **record nine cases before the public utility commissions** in the District of Columbia, Maryland and Virginia. While several regulatory proceedings are pending before the utility commissions – including the proposed AltaGas acquisition of Washington Gas and the proposed Pepco DC Biennial undergrounding plan, AOBA's efforts in 2017 led to the following positive outcomes for members:

### District of Columbia

**REDUCED BY HALF** – Pepco's request for a \$77.49 million rate increase filed on June 30, 2016. AOBA's intervention in the case contributed to the DC PSC's July 24, 2017 decision to deny Pepco's proposed rate increase and reduced Pepco's request by 52% to \$36.888 million (Formal Case No. 1139).

**DECREASED** – Washington Gas's request for a \$17.4 million increase to existing rates and request for a proposed Revenue Normalization Adjustment (RNA) filed on Feb. 26, 2016. AOBA strongly opposed WG's

request through the filing of expert witness testimony and participation in evidentiary hearings. In its March 24 decision, the DC PSC authorized a rate increase of \$8.5 million and agreed with AOBA's position to deny WG's proposed RNA.

**REJECTED** – Pepco's proposal seeking approval for a limited and voluntary demand management program for plug-in electric vehicle charging filed on April 21, 2017. AOBA filed comments urging the Commission to reject Pepco's proposed EV pilot program since it included a creation of a regulatory asset which would have caused increased rates for AOBA members. The PSC agreed with AOBA and moved consideration of the PSC's ongoing proceeding considering grid modernization (Formal Case No. 1130).

### Maryland

**DENIED** – Petition for Approval of tariff revisions to facilitate natural gas expansion for unserved or underserved customers to be funded by existing ratepayers, filed on Dec. 7, 2016. The MD PSC agreed with AOBA and denied

WG's request on Aug. 1, 2017. (Case No. 9433).

**REDUCED BY HALF** – Pepco's request for a \$68 million increase in rates filed on March 24, 2017. Based on testimony and analyses completed by AOBA's expert witnesses, AOBA recommended the Commission approve a revenue increase for Pepco of not greater than \$26.3 million. The MD PSC's Oct. 20, 2017 decision reduced Pepco's request by approximately 50% to \$32.4 million (Case No. 9443).

### Virginia

**SETTLED** – Washington Gas application with the VA State Corporation Commission requesting a \$45.6 million increase in the rates filed June 30, 2016. Interested parties, including AOBA, opposed this requested rate increase. After extended discussion and debate, the parties reached a settlement agreement reducing the rate increase to \$34 million, \$23 million of which was already included in the SAVE Rider. WG is in the process of issuing refunds, and customers should receive refunds before the end of 2017. ■