

THE DISTRICT LINE

Rent Out of Shape: Dupont tenants wonder: Why won't landlord cash our monthly checks?

By Jonathan York • June 22, 2007



Sara Rafter has lived at the August Apartments in Dupont Circle for 30 years, long enough to know when rent is due. To save time, she set up her payments automatically through her bank. When the first of the month comes around, the August gets her next payment.

But last month, it didn't seem to happen. Her account showed that she had paid. Dreyfuss Management, the company that manages the August, showed that she had not. She received a late notice and was charged a fee. On May 16, almost three weeks later, Dreyfuss acknowledged her payment and waived the late fee.

The next day, the company sued her for nonpayment of rent. "It's kind of odd. Management companies usually like to deposit their checks," says Rafter, a nurse at the National Institutes of Health. "The month of May, I mean, almost nobody's rents were credited until way in the middle of the month."

Why would a building owner not want to take tenants' money? Well, like dozens of landlords in the city within the past decade, the owners of the August, on the 2100 block of O Street NW, are hoping to convert the rent-controlled building into condominiums. By District law, a landlord can't turn units into condos by decree; the tenants have to approve the change—or leave the building. Suing tenants and leaving repairs undone are two common tactics for convincing tenants to empty the place.

Rafter was one of four August tenants sued last month in landlord-tenant court, even though their bank statements showed they had paid on time. And those weren't the first tenants who had trouble. In March and April, at least two others couldn't get their rent to show up.

By early June, the company had dropped its lawsuits, but problems continue.

Dreyfuss has been slow to make repairs that piled up after the company fired its on-site manager. In Rafter's unit, for instance, water leaks from a light fixture in her bathroom. The floor above was so rotted that a workman fell through the ceiling into her unit. Another tenant's ceiling caved in. Brown water from the sewer pipes has been dribbling down the walls.

One problem is that tenants aren't sure where to direct their complaints. The August's ownership status has been murky as of late, tenants say. In 2003, a limited liability corporation called 2147 O Street Associates bought the building. Late last year, the LLC hired Dreyfuss to manage the property, and another company followed close behind: Tenacity Group, a Greenbelt-based outfit well-known for converting apartments into condominiums.

Tenacity sent a letter to tenants in the winter explaining that the building's owners wanted to convert. Then Tenacity's representatives met with tenants early this year and suggested they go along with the plan. Since then, people have been wondering who their landlord really is.

"Dreyfuss is always a package deal with Tenacity," says Liz Askew, vice president of the tenants' association. "They always manage the buildings during a conversion. Everybody kind of questions whether a transfer of ownership has taken place. You know, does Tenacity own our building or not?"

Another tenant, who spoke on condition of anonymity, called the situation a Catch-22: Tenants don't know what Tenacity is offering, and Tenacity doesn't know what tenants want. "We don't know who we talk to, who we're dealing with," said the tenant, who explained that several senior citizens in the building have the mistaken impression that they'll lose their apartments. "We don't know who owns our home."

A lawsuit filed in March against the building's owners and managers alleges that they are trying to convert the building against the tenants' will. "Ownership and management are aggressively pursuing their attempts at coercing the August's tenants into accepting condo conversion," attorney Douglas Sparks wrote in the complaint.

Erik Bolog, managing partner of Tenacity, says that most of the August's tenants favor a condo conversion, while a handful are dreaming up conspiracies. "It is just negative propaganda being spread," he says. He defends Dreyfuss as a reliable management company that tenants have no grounds for attacking. He also says that Tenacity is only an asset manager and has no stake in the August. "Tenacity, nor any of the principals of Tenacity, nor any employee of Tenacity, nor any partner of Tenacity, in any way, has any ownership interest in this O Street building," he says.

Meanwhile, the tenants just want some answers about their building's future. "We have heard stories about Tenacity using aggressive tactics toward tenants in the course of a conversion to a condominium," Ben Carrdus, the August tenants' association president, wrote in an e-mail to a Tenacity executive. "We are concerned that we are being treated the same way. We certainly hope this is not the case."

On the evening of June 13, tenants crowded the lobby. They sat in a semicircle of folding chairs in front of Dreyfuss regional manager Bob Schoenemann. When pressed for answers, he said: "I'm not sure what management did or did not do. Probably did not do....I can't explain it."

Schoenemann blamed Bank of America's automatic bill payment service. "No, no, no!" Askew shouted. "There have been four banks that we've had problems with."

Other tenants pointed out that the checks were postmarked on time. "We don't do things based on what the post office does," Schoenemann replied. "That's not delivery. Unfortunately, that is not delivery."

Tenant Jessica Ebbeler, who was also sued, fired back: "Most people just mail things in the mail, and somehow, miraculously, it shows up. Dreyfuss was the problem. It's not the mail, it's not the bank, Dreyfuss is the problem."