

HOUSING CONVERSION ASSISTANCE POLICY CITY OF ALEXANDRIA, VIRGINIA

The City of Alexandria, since May 1980, has had in effect a voluntary conversion assistance policy.

A conversion plan is submitted to the Landlord/Tenant Relations Office prior to the zoning permit application. The Landlord/Tenant Relations Board holds a public hearing on the conversion plan and makes recommendations on the plan.

Below, in its entirety, is the City of Alexandria Housing Conversion Assistance Policy as adopted by City Council:

The Alexandria City Council encourages developers of any rental project in the City covered by the Virginia Residential Landlord-Tenant Act to submit a conversion plan to the Chief of the Office of Housing's Landlord-Tenant Relations Division when such a project is proposed for:

- 1) Demolition;
- 2) Substantial rehabilitation (any rehabilitation which causes temporary relocation or permanent displacement of a tenant);
- 3) Conversion to condominiums, planned unit development, cooperative, hotel, motel, unfurnished units, other commercial or all elderly use;
- 4) Termination of subsidy payments in subsidized buildings when the owner(s) of the buildings, and not the public agencies, has decided either to terminate subsidy payments or to prepay Federal mortgages which would cause tenants in any affected units to vacate;
- 5) Termination of lower-rent set-aside units required under Federal bond regulations in buildings using tax-exempt bonds which causes tenants of these units to vacate; and
- 6) Sale of rental condominium or cooperative units if a majority of the complex's units are under single ownership and are under a coordinated sales program and if the resale would cause tenants to vacate.

Such plan should be submitted if developers intend to issue notices to tenants of pending conversions or substantial rehabilitation as previously described. This plan would indicate the measures the developer plans to take to retain current tenants in the project, as well as provisions for assistance for all tenants who face displacement.

In order to allow sufficient time for staff review and public hearing before the Landlord-Tenant Relations Board, Council encourages developers to submit their conversion plans to the Office of Housing's Division of Landlord-Tenant Relations 30 days prior to the application for any special use permit or site plan approval, if applicable.

For projects that do not require a special use permit or site plan approval, City Council encourages developers to submit proposed conversion assistance plans to the Office of Housing and the Office of Landlord-Tenant Relations 60 days prior to the filing of their public offering statement with the state and City.

New tenants should be informed in their leases of any application for conversion, demolition, rehabilitation, change to other commercial/residential use, owner termination of subsidy payments, or termination of lower-rent set-aside units which cause tenants of these units to vacate.

Council recognizes that features of the plan may vary among developers, but strongly suggests that it include at least the following provisions:

1. **Adequate Notification.** State law requires that in the case of a condominium conversion, tenants be given a 120-day Notice to Vacate which includes the price of each unit and the estimated amount of all condominium fees for each unit. During the first sixty days after such notice, each tenant shall have the exclusive right to purchase the unit he/she occupies, but only if such unit is to be retained in the condominium conversion without substantial alteration to its physical layout.

State law also requires that tenants be given a 120-day notice with regard to the conversion of a building containing at least four residential units, to a hotel, motel, or other commercial use, or to a cooperative or planned unit development, or any demolition or substantial rehabilitation which would result in displacement of tenants, or sale to a contract purchaser which requires an empty building. State law for condominium and cooperative conversions does not allow renovations during the 120-day period which would force the tenant to relocate. Renovations can only be done during this period, according to State law, if the tenant gives written permission or is absent from the unit.

In cases of owner termination of subsidy payments in subsidized units or lower-rent set-aside units in buildings using tax-exempt bonds, the City encourages developers to give tenants of such units a 120-day notice of the market rent for their unit, and offer them the option of renting the unit at full market rent if qualified. It would also be useful that prior to such official notice, a Notice of Intent to Convert, rehabilitate, change use or terminate subsidy be given to tenants as soon as conversion plans are decided upon.

Copies of all 120-day Notices should be sent to the Office of Landlord-Tenant Relations when issued to tenants.

In the past, some tenants have been asked to vacate their apartments prior to the filing of the public offering statement by the developer in order that their apartments could be used as a model units. Council strongly recommends that these tenants be afforded the minimum 120-day notification period and 60-day opportunity to purchase their units, or other comparable units in the complex on the same terms as any other qualified tenant who would be able to purchase their unit. If the developer wishes the tenant to move in order to use the tenant's unit as a model unit, the tenant should be relocated within the complex in a comparable unit and moved at the developer's expense. This relocation should be agreed to by the tenant and the developer under mutually acceptable conditions and may occur during the 120-day period.

2. **Relocation Payments According To The State Highway Administration Schedule.** City law requires that relocation payments be made to persons displaced by condominium and cooperative conversion. Payments should be made according to Table I, which is based on the State Highway Administration schedule of fixed payment for residential moving expenses. In addition, City Council strongly encourages developers of projects proposed for demolition, substantial rehabilitation, termination of subsidy payments, and termination of lower-rent set-aside units in properties using tax-exempt bonds, to provide relocation payments in accordance with Table I to all eligible tenants.

Relocation Payment Schedule

Source: 24VAC30-41-220 Moving Expense Schedule

Table I (For all Residents who are not Very Low Income, Elderly or Disabled)

Unfurnished		
One Room	\$550	
Two Rooms	\$750	(Most Efficiency Units)
Three Rooms	\$950	(Most Standard One-Bedroom Units)
Four Rooms	\$1,150	(Most Two-Bedroom Units or One with Den)
Five Rooms	\$1,350	(Most Three-Bedroom or Two with Den)
Six Rooms	\$1,550	
Seven Rooms	\$1,750	
Eight Rooms	\$1,950	
Each Additional Room	\$200	

Furnished

One Room \$350 + \$75 for each additional room

Room counts include all occupied rooms within the dwelling unit plus personal property located in attics, unfinished basements, garages and outbuildings, or significant outdoor storage. Any spaces under lease containing sufficient personal property as to constitute a room are included. Full size kitchens are considered separate rooms, even in efficiency units.

Periodic revisions made by the State will be incorporated into the relocation payment schedule under this Housing Conversion Assistance Policy. It is expected that if the Relocation Payment Schedule is revised by the State, the developer will adhere to whatever payment levels are in effect at the time payments are made to tenants. Council also recommends that tenants whose income is less than Section 8 very-low income levels or who are elderly or disabled receive a higher payment equal to 200% of this payment as listed below.

Table II (For Elderly (over 62), Disabled Residents or Very Low-Income)

Unfurnished	
One Room	\$1,100
Two Rooms	\$1,500
Three Rooms	\$1,900
Four Rooms	\$2,300
Five Rooms	\$2,700
Six Rooms	\$3,100
Seven Rooms	\$3,500
Eight Rooms	\$3,900
Each Additional Room	\$400

Furnished

One Room \$700 + \$150 for each additional room

In regard to the timing of payments, developers are encouraged to provide relocation payments to all tenants when tenants give 30-day notice after receiving their 120-day Notices to Vacate in conversions, substantial rehabilitation, owner termination of subsidy payments, termination of lower-rent set-aside units, or changes in property use. Payments should occur in full when the tenant has notified the developer after the 120-day Notice to Vacate has been issued, even if he/she does not vacate the unit until the end of the 120-day period. This payment is to make funds available during the period in which the tenant must look for an apartment. In cases of demolition, developers should provide relocation payments when tenants receive their 120-day Notices to Vacate.

City Council further expects all developers undergoing this process to abide by the City's rent increase guidelines currently in effect.

3. **Eligibility for Relocation Assistance.** Developers are encouraged to provide relocation assistance payments to all tenants who are in residency when the first 120-day notice was issued, and who are 'in good standing' with rent payments. In condominium and cooperative conversions, the City recommends that relocation payments be provided to tenants who indicate in writing that they are unable or unwilling to purchase a condominium or cooperative unit. In complexes in which the developer is seeking to terminate subsidy or set-aside units, payments should be made to tenants who indicate in writing that they are unwilling or unable to rent a unit at the property's market rent, except as limited by the following paragraph.

For properties that are remaining rental (e.g. substantial rehabilitation, termination of subsidy or set-aside units), and continued tenancy at the property is available to current residents, a tenant is not eligible for relocation benefits if the tenant chooses to move after being offered in writing a unit at a rent increase (including any increase in utility costs to the tenant resulting from the rehabilitation) that is within the City's rent increase guidelines. For this purpose, the developer may require that tenants apply for continued residency prior to a determination of eligibility for relocation payments.

4. **Temporary Relocation.** In the case of substantial rehabilitation or change in use in which tenants are required to temporarily relocate to another unit, developers should pay the tenant's actual moving expenses (including any utility hook-up fees incurred by the tenant as a result of the move) not to exceed the payment identified in Table I for residents who are not very low income, disabled or elderly.
5. **Prompt Return of Security Deposit.** For projects undergoing demolition, the return of security deposits should be arranged at the time of Notice to Vacate. For projects undergoing conversion, substantial rehabilitation, termination of subsidy, or other use changes, deposits should be returned within fifteen days of the date of vacating by the tenant. Some developers have allowed security deposits to be applied to the last month's rent.
6. **Description Of Relocation Services And Distribution Of Information To Tenants.** The developer should identify a person to act as the relocation coordinator who will be available on site, during regular hours and by appointment, to provide assistance and information to tenants such as locating comparably-priced units, making arrangements for moving, assisting with application for local or federal housing subsidy programs, and providing assistance for those with special problems, such as the elderly and disabled. A special packet of information should be given to each tenant, outlining development plans as soon as the conversion is announced. The packet should include all information concerning the benefits to which tenants are entitled under the Conversion Assistance Plan. The developer should distribute regular notices and newsletters to the tenants and should also meet regularly with the tenants. Translation services and translation of materials should be provided to residents who speak foreign languages.
7. **Measures Taken To Retain Current Tenants.** The developer is to indicate what arrangements are being made to allow and/or encourage current tenants to remain in the complex. State and City law requires that three-year leases be offered to elderly and disabled residents in condominium conversions for up to 20% of the units in certain situations. City Council encourages developers to offer three-year leases to low-income tenants. All rent increases applied to units with three-year leases, as well as units in projects for which continued tenancy is available to current tenants should be within the City's voluntary rent guidelines (which provide for taking into account any unusual costs, improvements to the property, and extraordinary (more than 50%) increases in assessments).

Among the provisions that have been made in previous relocations plans, which Council expects developers to pursue, are rehabilitation performed at an affordable level to tenants (including an option to purchase a unit "as is" or renovated for the interior of the unit), reduced unit prices for current tenants (developers have given from 10-20% discounts, plus special discounts for the elderly and disabled long-term residents, and residents who purchase their units without renovation); and efforts to obtain special financing. Reservation of a portion of the units for a low-equity cooperative should also be explored.

Substantial rehabilitation projects should give tenants a sixty-day period following the developer's issuance of a 120-day notice to vacate, during which the tenants may elect to re-rent their original apartments if practical. Developers should provide an explanation of their rehabilitation program showing how it will not disrupt residents in occupied units.

8. **Distribution Of Information To City.** Council strongly suggests that the developer provide relevant information on current tenants to the Landlord-Tenant Relations Office at the time the plan is submitted, along with the name(s) of the relocation coordinator(s) in the project. This office has a Relocation Advisor who will be of assistance in making arrangements for relocation. Tenant profile surveys, including income, age, marital status, etc., should be taken and given to the City as part of the Conversion Assistance Plan. The new addresses of tenants who move should also be provided to the City. Such information is also important in compiling data on the overall displacement situation and rental market in the City. In addition, timely reports on the progress of the conversion, along with copies of all notices and newsletters distributed to the tenants, should be given to the City.
9. **Phasing Of Conversion.** Council urges developers to phase a project's conversion plans and notices to vacate when at all possible, to allow for a more gradual relocation process for displaced tenants. Some projects have phased notices based on projected renovation and sales. Families with children in school should have notices phased in order not to disrupt the completion of the school year.
10. **Conversions covered by the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA).** Benefits provided under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) are more generous than the City's, and a developer who makes payments in accordance with URA shall be considered in compliance with the relocation payment requirements of this Housing Conversion Assistance Policy. Developers following URA requirements are encouraged to comply also with the provisions of the City's Housing Conversion Assistance Policy with regard to timing of Notices to Vacate, prompt payment of relocation benefits and return of security deposits, identification of a relocation coordinator, measures to retain current tenants, and phasing of conversion or rehabilitation. Developers are encouraged to file conversion assistance plans with the Office Housing's Landlord-Tenant Division as required by the Housing Conversion Assistance Policy, and to provide regular status reports to the City. City staff may recommend modifications based on URA requirements at the time of consideration of a conversion assistance plan by the City.