

SEATTLE POST-INTELLIGENCERhttp://seattlepi.nwsourc.com/local/263605_condo20.html**City's renters lose out as condo switch soars****Thousands displaced; many can't buy**

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P-I REPORTER

Carmen Orso, living with multiple sclerosis, has come to appreciate her tiny Madison Valley apartment in ways she didn't expect.

The kitchen's small enough that if she loses her balance while pouring tea, she can reach out and touch any wall.

For a former rock climber who now moves with the speed of a 90-year-old woman, the peekaboo view of the Cascades helps her remain positive.

Since Orso learned in January that her \$800-a-month apartment would be converted to a more costly condominium, she's scrambled to find another rental that's affordable, accessible and close to her doctors.

Thousands of Seattle renters have been displaced as developers turn to apartment buildings to meet strong appetite for in-city homes. Apartment-to-condominium conversions in Seattle have skyrocketed, from 345 in 2004 to 1,551 last year.

Yet, compared with some other areas with hot housing markets, Washington state law gives tenants far less time to vacate their apartments. Relocation assistance for low-income residents displaced by condo conversions is set at \$500.

By comparison, low-income renters evicted when buildings in Seattle are demolished are entitled to nearly \$2,500 in moving expenses, which the city determined was the true cost of relocating.

For the first time last year, the region also lost more apartments than were built, according to Dupre + Scott Apartment Advisors. Though that trend should change as the market adjusts, it's stoking concerns about Seattle's supply of moderately priced housing.

"I'm having a heck of a hard time," said Orso, a nurse who now lives on disability payments. "The apartments I can afford are up north or down south, and I don't want to be that far from things. That's kind of the quagmire I find myself in."

Condo conversions can offer relatively affordable options for those looking to buy, with most units in her building expected to sell for between \$240,000 and \$370,000. That's cheaper than many of the neighborhood's single-family homes or new downtown condos.

"There's a true, true problem with affordable housing in this city," said Robert Hardy, a developer who's undertaken six condo conversions,



Karen Ducey / P-I

Carmen Orso is scrambling to find a new apartment because her \$800-a-month Madison Valley unit is being converted into a condo.

CONDO CONVERSIONS

The number of apartments being converted to condominiums last year increased dramatically, offering home buyers more choices but displacing renters.

including the Arboretum View Apartments where Orso lives. "I'm one of the only guys around that's creating any supply of affordable new condos, and that's pretty scary."

But the wave is also displacing thousands of renters who can't afford those prices, with some longtime tenants facing distressingly abrupt evictions.

"It's an astonishing increase, and I'm very concerned about what it'll do to the supply of affordable rentals in the community," said City Councilman Tom Rasmussen, chairman of the housing committee.

"I'm hearing of people in their 70s and 80s who are now being asked to move ... and it's extremely difficult for them to find something they can afford, let alone cope with the disruption."

Some tenants have complained that once a condo developer buys their building, their lives become unbearable with roof pounding and construction dust.

Renters also have accused owners of abandoning basic maintenance during the renovation process, refusing to vacuum carpets or fix lobby lights.

Many believe the state law governing condo conversions -- which allows developers to evict tenants on month-to-month leases after 90 days -- is inadequate.

"People think Seattle's so liberal, but when it comes to this, it's not," said Carole Glickfeld, a writer who unsuccessfully sued the condo developer converting her Broadway apartment, which she had to vacate in a few months after living there more than 20 years.

"The city is so busy trying to get more money for affordable housing. If they'd just stop throwing people out of these buildings, they wouldn't have to do that."

Seattle officials say their power to address condo conversions is limited. Property owners are perfectly within their rights to maximize profits from the hefty investments they've made in their buildings.

In popular cities around the country, a combination of high home prices and rising construction costs for new buildings have made conversions economically attractive.

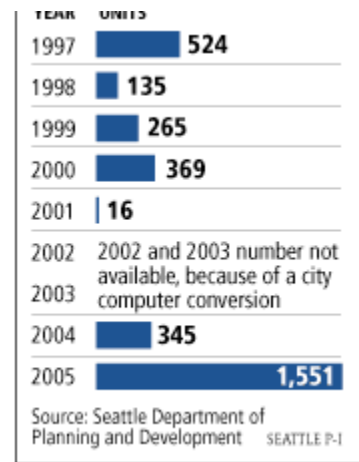
Changes that could make the process less disruptive for tenants will have to be addressed in Olympia, city officials say. But legislators in charge of key committees there say no one has raised the issue with them.

"That really hasn't come onto anybody's radar screen," said Sen. Darlene Fairley, a Lake Forest Park Democrat who is chairwoman of the committee that deals with housing issues.

Other cities offer more help

In Washington, condo converters must honor long-term rental leases but can evict month-to-month tenants after the 90-day notice. Tenants have 60 days to decide whether to buy their units, which local experts say rarely happens.

Owners also must give \$500 in relocation assistance to tenants who make less than 80 percent of the area's median income, or \$60,000 for a family of four.



That's less generous than some other cities' policies:

- In San Diego, landlords must give tenants at least 180 days' notice and pay up to three months' rent to help with moving expenses.
- In New York, elderly and disabled tenants are allowed to continue renting their apartments forever. If fewer than half of a building's tenants decide to buy, renters can't be evicted.
- San Francisco caps the number of annual condo conversions at 200 units, which are awarded by lottery.
- In Los Angeles, landlords must give up to one year's notice, provide a list of available rental units nearby and pay between \$3,300 and \$8,200 in relocation expenses.

Some real estate consultants believe it's inevitable that Washington's ordinance will be updated to make it more equitable.

Carol Chambers, the developer of the Broadway building where relations with tenants were particularly rancorous, said she doesn't necessarily think increasing notice and relocation assistance will get to the heart of the problem.

If renters don't want to move and can't afford to buy, they'll still be in the same boat, she said.

"I think the issue is the bigger economic issue of people being able to buy affordable housing in the city," she said.

Living in limbo

For Orso, the prospect of buying a home is simply out of reach.

She had to quit working three years ago, after MS started affecting her vision and motor control.

Once an avid cross-country skier, she now uses a walker and can't travel more than a block on a good day.

She's looking for an apartment in the \$700 range. She needs accessible accommodations and secure parking. Because her mobility will only deteriorate, she also wants to stay in the neighborhood close to her hospitals and church.

Orso had a signed lease allowing her to remain in her apartment until June. So far, she hasn't found apartments in her price range that meet her needs.

"I really hate living in this kind of limbo area, but I try not to get too freaked out," she said, allowing that on some days it's easy to feel overwhelmed. "I really have to try to keep myself from getting to that point with a lot of positive thought that something will come along."

She searches every day and hopes she won't wind up miles away from the things she needs. For someone who's not destitute -- but still lives on significantly less than the area's median income -- Orso feels as if she has fallen through the widening cracks in today's housing market.

"It's going to wind up that the only people who can be in Seattle are those who have money, and street people," she said. "There needs to be more of a diverse population. It shouldn't be a tale of two cities."

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