



SEATTLE CITY COUNCIL
CENTRAL STAFF

Economic Displacement Relocation Assistance

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SUSTAINABILITY AND RENTERS' RIGHTS COMMITTEE

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Draft Bill: Economic Displacement Relocation Assistance

Intent:

To help a tenant who cannot afford a rent increase of ten percent or more relocate.

Projected timeline for introduction and committee discussion:

Tentatively July

This presentation covers:

- Details of the draft bill, and
- Potential Fiscal and Staffing Impacts

Tenant Eligibility (1/2)

- Households who have:
 - Received a 60-day notice of rent increase (as required by State and City law) and the rent increase is ten percent or more; and
 - Either vacated the property or provided notice to the owner that they plan to vacate.

Tenant Eligibility (2/2)

- Households must designate one household member as the person representing them when applying for assistance and who is entitled to receive funds.
- A household representative can only represent one household at a time.

Definitions (1/2)

- **Household:** any family household or non-family household that occupies a housing unit. A combination of family households and non-family households may occupy a single housing unit.

Definitions (2/2)

- **Family household:** all occupants in the same housing unit who are members of the same family unit.
 - **Family unit:** all related persons including parents; spouses' parents; grandparents; spouses' grandparents; grandchildren; spouses' grandchildren; siblings; spouses' siblings; siblings', spouses', and siblings' children; and those similarly related to domestic partners
- **Non-family household:** an occupant of a housing unit that is not a member of a family household

Timing of Application (1/2)

- Must apply to the Seattle Department of Construction and Inspection (SDCI) within 180 days of receiving the rent increase notice.
- If more time is needed to apply, the household representative can request an application extension before the end of the 180-day period
 - SDCI can grant a 60-day extension upon a finding of good cause.

Timing of Application (2/2)

- If the application is incomplete, SDCI can ask for more information and the household representative must provide a response within 30 days
 - SDCI can grant an extension upon a finding of good cause.
- If the tenant rescinds the notice of vacation, must also withdraw application and pay back any funds received

Notification from SDCI

- Required to provide notice:
 - to the owner that SDCI received an application from a tenant or tenants within five days of receipt
 - to the owner and the household representative of whether the household is entitled to economic displacement relocation assistance within 10 days of receiving a complete application.

Content of the Application

- Affidavit with the date of vacation or copy of the notice of intent to vacate;
- Copy of current rental agreement or proof of housing costs for the last 12 months;
- Copy of the rent increase notice;
- Names of all members of each household; and
- Number of family and non-family households occupying the unit.

Payment of Relocation Assistance

- Within seven days of receiving a notice that the household can get assistance, the owner must pay the designated amount to SDCI.
 - Owner cannot hold back any assistance even if they believe the tenant owes the owner a specific amount.
- Within five days of when the owner is due to pay SDCI assistance, SDCI must pay the tenant.

Amount of Relocation Assistance

- Determine the average monthly housing costs for the housing unit, based upon the housing costs incurred in the 12 consecutive months prior to the effective date of the required rent-increase notice;
- Identify the number of households that occupy the housing unit and divide the average monthly housing costs by the number of households, resulting in the average monthly housing costs per household; and
- Multiply the average monthly housing costs per household by three

Amount of Relocation Assistance (Example)

- One rental unit pays \$3600/month.
- 2 households: one family, one non-family. $\$3600/2 = \1800
- $\$1800 \times 3 = \$5,400$
 - Assuming eligibility and application requirements are satisfied, each household representative would be entitled to \$5,400.
 - For two households who are vacating or intend to vacate, this would cost the landlord \$10,600.

Refunds

- If the household does not end up vacating the unit by the date on the notice of intent to vacate, the household representative must refund the assistance payment to the City within ten days of the date on the notice of intent to vacate.
 - SDCI must refund the payment to the owner within ten days of receiving the household representative's refund.
 - If the household representative does not pay the refund, SDCI must still refund the payment to the owner within ten days.

Appeals and Enforcement

- Either the owner or the household representative may appeal the approval or denial of the application or the calculation of the amount of displacement relocation assistance payment.
- Must be filed with the Hearing Examiner within ten days of SDCI's decision.
- SDCI will enforce violations of the ordinance

Fiscal and Staffing Impacts (1/2)

- Need to engage with SDCI and the Hearing Examiner to determine what will be needed to support this potential ordinance.
- SDCI will likely have an increased workload:
 - Answering calls from tenants and landlords about these new rights;
 - Receiving and making determinations about applications; and
 - Receiving payments from landlords and making payments to household representatives, including refunds

Fiscal and Staffing Impacts (2/2)

- **SDCI budget**
 - Because SDCI is responsible for administering payments and refunds regardless of whether the owner pays or the household representative returns funds, will need to determine a base budget that accounts for how long it will take to recover unpaid funds.
- **Hearing Examiner**
 - New caseload for appeals

Questions?