

Amendment 1
to
CB 119585 – Notice of Rent Increases
Sponsor: CM Sawant
Updating recitals and making technical changes

Amend the ordinance as follows:

AN ORDINANCE relating to residential rental properties; requiring a minimum of 180 days' prior written notice to tenants whenever the housing costs to be charged a tenant are to increase; and amending Sections 7.24.030, 22.202.080, and 22.206.180 of the Seattle Municipal Code.

WHEREAS, Article 25 of the United Nations' Universal Declaration of Human Rights

recognizes housing as a human right; and

WHEREAS, notwithstanding a temporary drop in rents in 2020 due to the pandemic and

recession, which fell hardest on low- and moderate-income households, Seattle faces an

affordable housing and homelessness crisis as rising rents have forced thousands of

Seattle renters out of their homes, neighborhoods, and the City; and

WHEREAS, between 2010 and 2018 average rent in the Seattle area rose 69 percent while

inflation for Urban Wage Earners (CPI-W) in the Seattle area rose only 20.3 percent; and

WHEREAS, in large part due to high rents, Seattle is the fifth most expensive U.S. city to live in;

and

WHEREAS, in 2021, as Seattle residents begin recover from the pandemic and recession, they

are experiencing landlords once again raising rates well above the rate of inflation; and

WHEREAS, rental housing industry analysis firm ApartmentList.com calculated that Seattle

rents increased an astounding 3.5 percent just between March and April 2021, the fifth

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largest month-over-month increase among the nation’s 100 largest cities, which is an annualized rate of 42 percent rent increases with a trend expected to continue, as “the days of plummeting rents in pricey coastal markets are officially behind us”; and

WHEREAS, ApartmentList.Com data also show that between January and April 2021, rents across the board in Seattle for apartments of all sizes increased by nine percent, putting rents on track to more than rebound in 2021 from the temporary 2020 drop; and

WHEREAS, the “Seattle Housing Market Forecast for 2021” of real estate investment consulting firm Mashvisor, notes that “Seattle real estate investors are continuing to enjoy a good return on investment on rental properties. . . .Although affordability continues to be an issue for local residents, it does have a positive aspect for Seattle real estate investors. Owning a rental property in Seattle does mean high demand which translates into good occupancy rates and cash flow”; and

WHEREAS, Washington State and The City of Seattle currently require that landlords provide tenants with only 60 days’ written notice before imposing any rent increase, an insufficient amount of time for Seattle renters to adjust to the increase or seek out a new, affordable living situation; and

WHEREAS, because current State and City protections have not been sufficient to stave off large rent increases, many Seattle renters have had to leave the City, sometimes with little time to prepare; and

WHEREAS, the more the rent increases, the longer time a tenant may need to accumulate the savings needed to pay the increased rent or pay for first and last months’ rent in a new unit; and

WHEREAS, with sufficient notice, tenants may be able to manage their finances to pay a rent increase or save enough to move, but short notice periods of only a month or two make that management or savings less likely and increase the chances that the tenant will have to move; and

WHEREAS, giving tenants a longer period of notice may decrease the likelihood of moving, and consequently decrease the risk of housing instability or homelessness; and

WHEREAS, in September 2020 the City of Auburn adopted a law that requires landlords to provide at least 120 days' notice for any rent increase of over five percent; and

WHEREAS, Portland, Oregon requires landlords to provide at least 90 days' notice for any rent increase over five percent, Vancouver, British Columbia provides 90 days' notice, and Tacoma, Washington provides 60 days' notice; and

WHEREAS, in April 2019, the Seattle Renters' Commission sent a letter to the Council recommending amendments to Seattle's laws to provide renters with 180 days' notice of a rent increase rather than 60 days; and

WHEREAS, the Seattle Renters' Commission made clear that “[w]hile Portland, Vancouver, and Tacoma all offer better protections than Seattle, we see Montréal as the example to follow, as even 60 or 90 days is still not enough time for most Seattle tenants to rearrange their lives”; and

WHEREAS, Montreal requires up to 180 days' notice of a rent increase, depending on the type of lease; and

WHEREAS, economic displacement has fallen hardest on Black communities and other communities of color, as evidenced by the fact that Seattle's historically Black Central District, which used to be more than 70 percent African American, is today less than 20

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percent Black, and that Seattle has been found to be the third most gentrifying city in the country, and

WHEREAS, this gentrification and displacement due to rising rents has an overall deleterious effect on the social fabric of our community, and further magnifies and reinforces historic racial inequities; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 7.24.030 of the Seattle Municipal Code, last amended by Ordinance 125951~~125558~~, is amended as follows:

7.24.030 Rental agreement requirements

A. Any rental agreement or renewal of a rental agreement for a residential rental unit in The City of Seattle entered into after ~~((October 28, 1998,))~~ the effective date of ~~the this~~ ordinance ~~introduced as Council Bill 119585~~ shall include or shall be deemed to include a provision requiring ~~((a minimum))~~ at least of ~~((60))~~ 180 days' prior written notice whenever the periodic or monthly housing costs to be charged a tenant are to increase, except that for a subsidized tenancy where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, the rental agreement shall instead provide ((a minimum of)) at least 30 days' prior written notice of an increase in the amount of rent to each affected tenant. ((by ten percent or more)) over the periodic or monthly rental rate charged the same tenant for the same housing unit and same services for any period or month during the preceding 12-month period.

~~Section 2. Section 22.202.080 of the Seattle Municipal Code, last amended by Ordinance 125343, is amended as follows:~~

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~~22.202.080 Documentation of notices~~

~~All written notices required by Chapters 22.200 through 22.208 to be provided to or served on tenants by property owners, or on property owners by tenants, shall be documented in such a manner as to confirm the date on which the notice was received. The use of email is allowed for written notices required under subsections 22.206.180((J))I.1, 22.206.180((J))I.2, and 22.206.180((J))I.3.~~

Section ~~23~~. Section 22.206.180 of the Seattle Municipal Code, last amended by Ordinance ~~125952~~125054, is amended as follows:

22.206.180 Prohibited acts by owners

Except as otherwise specifically required or allowed by this Title 22 or by the Washington State Residential Landlord-Tenant Act, chapter 59.18 RCW, it is unlawful for any owner to:

* * *

H. Increase the periodic or monthly housing costs to be charged a tenant ~~((by 10 percent or more)) over the periodic or monthly housing costs charged the same tenant for the same housing unit and the same services for any period or month during the preceding 12-month period~~ without giving the tenant at least ~~((60))~~ 180 days' prior written notice of the cost increase, except that for a subsidized tenancy where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, the owner shall instead provide at least 30 days' prior written notice of an increase in the amount of rent to each affected tenant.

The notice shall describe how the tenant may obtain information about the rights and obligations of tenants and landlords under this Chapter 22.206; or

* * *

~~I. ((Increase the periodic or monthly housing costs to be charged a tenant by less than 10 percent over the periodic or monthly housing costs charged the same tenant for the same housing unit and the same services for any period or month during the preceding 12-month period without giving the tenant at least 30 days prior written notice of the cost increase. The notice shall describe how the tenant may obtain information about the rights and obligations of tenants and landlords under this Chapter 22.206; or~~

~~J.)) Increase the periodic or monthly housing costs to be charged a tenant by any amount if the Director has determined the housing unit does not comply with the checklist prescribed by subsection 22.214.050.L and the weighted requirements of 22.214.050.M.~~

~~1. When a tenant is notified of a proposed increase in periodic or monthly housing costs, if the tenant believes the housing unit has defective conditions and does not comply with the checklist prescribed by subsection 22.214.050.L and the weighted requirements of 22.214.050.M, the tenant may notify the owner of the potential application of this Section 22.206.180.((J))I.~~

~~2. Notification from a tenant to an owner must be in writing, describe the defective conditions, and be sent to the landlord prior to the effective date listed in the notice of housing costs increase the tenant received from the landlord.~~

~~3. After written notice to the owner has been provided, and before the housing costs increase takes effect, the tenant or owner may request an inspection from the Director.~~

~~4. Upon inspection, if the Director determines the unit meets the requirements of subsections 22.214.050.L and 22.214.050.M or that the conditions violating subsections 22.214.050.L and 22.214.050.M were caused by the tenant, the housing costs increase shall take effect on the date specified in the notice of the housing costs increase.~~

~~5. If the Director determines that the unit does not comply with the checklist prescribed by subsection 22.214.050.L and the weighted requirements of subsection 22.214.050.M, the housing costs increase shall not take effect until the Director determines that the housing unit complies with the checklist and the weighted requirements of subsection 22.214.050.M. This determination must occur before the tenant may lawfully refuse payment of the housing cost increase.~~

~~6. If a tenant pays the increased housing costs prior or subsequent to a determination by the Director that the housing unit does not comply with the checklist and the weighted requirements of subsection 22.214.050.M, the owner shall refund to the tenant the amount by which the housing costs paid exceeded the amount of housing costs otherwise due, or provide a credit in that amount against the tenant's housing costs for the next rental period. The refund or credit shall be prorated to reflect the period that the housing unit was determined to be in compliance with the checklist and the weighted requirements of subsection 22.214.050.M. If the owner elects to provide a refund rather than provide a credit, the refund shall be paid to the tenant before the beginning of the next rental period. When calculating a pro-rata amount to be credited or refunded, a 30-day month shall be used.~~

~~7. If a tenant denies access to the tenant's housing unit to conduct an inspection, the increase in housing costs shall take effect on the date access to the dwelling unit was denied by the tenant, or on the effective date of the housing costs increase identified in the notice of the housing costs increase, whichever is later.~~

~~8. The Director shall describe, by rule, SDCI's role when a tenant notifies SDCI that a landlord has given the tenant notice pursuant to RCW 59.12.030 (3) ((3 day pay rent or~~

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~~vacate notice))) and when the housing cost increase has been lawfully prohibited pursuant to~~

~~subsection 22.206.180.(J)I.5.~~

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Section 34. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____,
~~2021~~2019, and signed by me in open session in authentication of its passage this ____ day of _____, ~~2021~~2019.

President _____ of the City Council

Approved/~~returned unsigned /vetoed~~ by me this _____ day of _____, ~~2021~~2019.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, ~~2021~~2019.

Monica Martinez Simmons, City Clerk

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Effect: This amendment would add recitals to the bill, as no recitals were included when CB 119585 was introduced. In addition, it corrects the base of the text of the Seattle Municipal Code to be amended, as the underlying code has been amended since the bill's introduction in 2019. As a result, the main substantive amendments left in the bill are to increase the time needed for notice from 60 to 180 days.