

SEATTLE CITY COUNCIL

Sustainability and Renters' Rights Committee

Agenda

Friday, March 18, 2022 9:30 AM

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

Kshama Sawant, Chair Sara Nelson, Vice-Chair Debora Juarez, Member Andrew J. Lewis, Member Tammy J. Morales, Member

Chair Info: 206-684-8803; Kshama.Sawant@seattle.gov

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SEATTLE CITY COUNCIL

Sustainability and Renters' Rights Committee Agenda

March 18, 2022 - 9:30 AM

Meeting Location:

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

Committee Website:

http://www.seattle.gov/council/committees/sustainability-and-renters-rights

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Pursuant to Washington State Governor's Proclamation No. 20-28.15 and Senate Concurrent Resolution 8402, this public meeting will be held remotely. Meeting participation is limited to access by the telephone number provided on the meeting agenda, and the meeting is accessible via telephone and Seattle Channel online.

Register online to speak during the Public Comment period at the 9:30 a.m. Sustainability and Renters' Rights Committee at http://www.seattle.gov/council/committees/public-comment.

Online registration to speak at the Sustainability and Renters' Rights Committee meeting will begin two hours before the 9:30 a.m.meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Sawant at

Kshama.Sawant@seattle.gov

Sign-up to provide Public Comment at

http://www.seattle.gov/council/committees/public-comment.

Watch live streaming video of the meeting at

http://www.seattle.gov/council/watch-council-live

Listen to the meeting by calling the Council Chamber Listen Line at

253-215-8782 Meeting ID: 586 416 9164

One Tap Mobile No. US: +12532158782.,5864169164#

Please Note: Times listed are estimated

- A. Call To Order
- B. Approval of the Agenda
- C. Public Comment
- D. Items of Business
- 1. City procedures and enforcement authority for violations of Seattle's housing codes and other renters rights

Supporting

Documents: Seattle Department of Construction and Inspections (SDCI)

Presentation

Briefing and Discussion (30 minutes)

Presenters: Seattle Department of Construction and Inspections

(SDCI); Asha Venkataraman, Council Central Staff

2. Renter experiences reporting and seeking help for renters rights violations

Supporting

Documents: Example Settlement Agreement Offered by a Landlord

Briefing and Discussion (30 minutes)

Presenters: To be determined

3. <u>CB 120284</u>

AN ORDINANCE relating to housing and displacement mitigation; expanding the information required under the Rental Registration Inspection Ordinance for rental housing units; requiring submission of information to a research university; and amending Sections 22.214.010 and 22.214.040 of the Seattle Municipal Code.

Supporting

<u>Documents:</u> <u>Summary and Fiscal Note</u>

Central Staff Memo

Briefing, Discussion, and Possible Vote (20 minutes)

Presenter: Asha Venkataraman, Council Central Staff

E. Adjournment



SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Inf 2025, Version: 1

Code Compliance for Housing and Renter Rights





SDCI PURPOSE AND VALUES

Our Purpose

Helping people build a safe, livable, and inclusive Seattle.

Our Values

- Equity
- Respect
- Quality
- Integrity
- Service

Code Compliance Division

We are:

- Compliance Inspections, and
- Rental Housing Programs
- Many acronyms:
 - POTA = Property Owner and Tenant Assistance
 - RRIO = Rental Registration and Inspection Ordinance
 - TRAO = Tenant Relocation Assistance Ordinance
 - EDRA = Economic Displacement Relocation Assistance

We Administer

Compliance Inspections

(Michele Hunter, Manager)

- Housing and RRIO
- Land Use and Shoreline
- Construction without permits
- Vacant Buildings
- Trees
- Weeds and Vegetation

Rental Housing Programs

(Geoff Tallent, Manager)

- POTA questions and complaints
- TRAO
- EDRA
- RRIO administration
- Renting In Seattle Website & outreach program
- \$2 million Grants Program

How People Find Us

Outreach

- Web portal <u>seattle.gov/rentinginseattle</u>
- Renting in Seattle phoneline— 206-684-5700
- Complaint line—206-615-0808
- Infographics and videos
- Trainings and community events

Grants

- Education
- Organizing
- Assistance and counseling



We Solve Problems

		Renter Rights		
	Housing	Complaints &		
Year	Complaints	Questions		
2021	1,136	3,285		
2020	963	2,799		
2019	994	2,399		
2018	820	2,081		
2017	574	437*		

Housing Complaints are 9% of total complaints. Landlord Tenant complaints and questions are 26%.

^{*} New tracking system only counted part of year

Common Complaints

Compliance Inspections

- Kitchens: faulty appliances, leaking/clogged faucets, lack of ventilation
- Bathrooms: leaking/clogged faucets, mold and moisture
- Rodents, bugs, other pests
- Security: locks, windows
- Fire Safety: no smoke or CO detectors

Rental Housing Programs

- Deposit Returns
- Rent increases
- Eviction notices
- Landlord entry without proper notice

Case Resolution – all case types

Year resolved	Enforced Compliance	Voluntary Compliance	Law/ Other	Total
2018	53%	46%	1%	100%
2019	52%	47%	1%	100%
2020	54%	46%	0%	100%
2021	58%	40%	2%	100%

Voluntary compliance is the goal

Resolves issues faster

Keeps Tenants in their homes Better relations with Landlord

Efficiently uses resources

Inspectors have more neutral role

How the process works

Tenants and landlords contact SDCI by phone and via the website

Supervising managers assign inspectors or analysts

Staff work through complaints and questions in the order received, except

Emergency housing conditions and eviction issues get priority

The Tools we use

- Complaints come in, we talk to the renter. Then we talk to the landlords. Landlords rescind their notices, issue the deposit returns, make repairs, etc.
- Emergencies are top priorities.
 - We issued 22 Emergency Orders in 2021.
 - In 2021 SDCI issued **\$108,152** emergency relocation assistance to 22 tenants when problems were too severe to fix at 6 properties. 16 tenants were from one property.
- For physical issues with a living space, we usually issue **Notices of Violation** with a compliance due date

Fines and Penalties

Notices of Violation (Housing, Prohibited Acts, Just Cause, TRAO)

- NOVs must allow time for compliance. Only if no compliance do penalties accrue.
- Penalties: up to \$150 per day for first ten days, then up to \$500 per day. Inspection fees may also apply.
- Penalty enforcement requires referral to City Attorney

Citations (security deposits, right of first refusal, receipts for payments)

- Usually issue warnings first
- Citations penalties \$500 first violation. Additional violations are \$1,000.
- May issue Notices of Violation after two citations.
- Appealed to Hearing Examiner

Housing Complaint Challenges

Inspectors must make appointments with tenant to do a housing inspection

Many renters call just as they are moving out and SDCI is unable to inspect before they leave

Sometimes issues get fixed before we get to a site

Sometimes we cannot reach the tenant or they will not call us back

Process changes during the pandemic

Backlog: Housing Inspections and Landlord Tenant (POTA) questions and complaints

Year	Average Days to First Housing Inspection
2018	24.7
2019	18.2
2020	29.0
2021	42.3

Open Housing cases (NOVs) = 143 Open Housing Complaints = 317

POTA Open cases (NOV) = 46 POTA Open complaints = 921

Open complaints can be at several steps in the investigation process

Our focus

Managing Increasing call volume

Training and outreach about the changing regulatory environment

Emerging from pandemic restrictions and limitation

Reducing call response time and backlog

QUESTIONS & RESOURCES

Faith Lumsden, SDCI Division Director Faith.Lumsden@seattle.gov

Geoff Tallent, SDCI Rental Housing Programs Manager geoff.tallent@seattle.gov

Michele Hunter, SDCI Compliance Inspections Manager <u>michele.hunter@seattle.gov</u>





SEATTLE CITY COUNCIL

600 Fourth Ave. 2nd Floor Seattle, WA 98104

Legislation Text

File #: Inf 2026, Version: 1

Renter experiences reporting and seeking help for renters rights violations

SETTLEMENT AGREEMENT

WHEREAS Seattle Property Management Associates, LLC is the property manager for the owner of rental property (hereinafter known collectively, along with all owners, directors, managers, employees and agents of the owner, Seattle Property Management Associates, LLC and the My Party, LLC, as "Management"), located 3617 Woodland Park Avenue North, Seattle, Washington; and

WHEREAS (hereinafter collectively as "Resident") is currently renting unit, under a lease agreement at said property; and

WHEREAS on Friday, February 25, 2022, a fire broke out in another resident's unit that was not the result of any action or inaction by management. The fire destroyed the subject matter of the lease agreement and it is not possible to repair. Management is offering a mutual lease termination to all residents who have had property affected by the fire.

WHEREAS Management alleges that it has acted in accordance with its obligations under the lease and law, and admits no liability; and

WHEREAS both sides wish to settle this matter amicably,

THEREFORE by their respective signatures below the Resident and Management do hereby agree to the following:

The Parties agree to mutually terminate the lease agreement as of February 24, 2022. Neither resident nor Management shall owe any performance under the lease contact after this date as the subject premises of the contract has been destroyed. Resident shall have until 3pm on March 5, 2022 to remove any belongings from the unit. Resident agrees that any items remaining after 3pm on March 5, 2022 shall be deemed abandoned and may be disposed of by management as they see fit. Management shall fully refund the Resident's security deposit.

All parties agree that the above actions taken by Management constitute a full and complete settlement and a full discharge of any liability for any and all claims, known and unknown, suspected or unsuspected, that Residents, or any guests, invitees or licensees, or any other person or entity acting on Residents' behalf or on any subrogation of rights, have or may have in the future against all entities comprising the Management and its owners, individual officers, agents, employees, attorneys, partners, members, principals, successors, heirs, devisees, legatees, assignees, directors and shareholders, including but not limited to added utility costs, inconvenience, loss of use of the apartment, personal property damages, lost wages and time, and any possible health claims, or discrimination claims that the Resident may believe stems from or are related in any way to residency the property at 3617 Woodland Park Avenue North.

// // //

Settlement

Agreement Page 1 of

All parties agree that the terms of this settlement are confidential and are not to be disclosed to any party, person, individual, entity, or organization not signing this agreement. Resident shall make no disparaging remarks regarding this incident or Management to any person or entity, including any postings on any internet site, including but not limited to Facebook, Yelp, ApartmentsRating, Kingsley, Zillow, Google, etc., and shall, within 4 business days of the signing of this Settlement Agreement, remove any such postings that pre-date this Settlement Agreement from any and all internet sites. If Management learns that Resident has disclosed the terms of this settlement to any third party, it shall immediately and irreversibly revoke the compensation granted under this agreement and may immediately charge Resident for repayment of those amounts owing, and shall be entitled to enforce that action through litigation, and shall be entitled to disclose the contents of this agreement in any action to enforce the terms of this agreement.

This is the entire agreement and the terms of this agreement shall control over any other verbal or written agreement or statement made by any of the parties or by any person or entity acting on behalf of any of the parties. All terms of this agreement were negotiated by the parties and no terms of this agreement shall be construed in favor of or against any of the parties. The terms of this agreement shall not be modified except in writing signed by all of the parties. In any action to enforce the terms of this agreement, the prevailing party provisions of the rental agreement shall apply.

Seattle Property Management Associates, LLC and Owner

By:	Agent Date
	Resident Date
	Resident Date
	Resident Date

Settlement Agreement Page 2 of

SEATTLE CITY COUNCIL



Legislation Text

File #: CB 120284, Version: 2

CITY OF SEATTLE

ORDINANCE	
COUNCIL BILL	

AN ORDINANCE relating to housing and displacement mitigation; expanding the information required under the Rental Registration Inspection Ordinance for rental housing units; requiring submission of information to a research university; and amending Sections 22.214.010 and 22.214.040 of the Seattle Municipal Code. WHEREAS, Executive Order 2019-02 ("Actions to Increase Affordability and Address Residential

Displacement") determined, among other things, that:

- "[E]conomic pressures are driving displacement of residents from their long-standing communities; and...without thoughtful policies, deliberate planning and investment during this period of unprecedented growth and change, we risk displacement of long-time community members"; and
- WHEREAS, in March 2019, Resolution 31870 stated that the City should "[d]evelop a consistent and thorough monitoring and reporting process regarding housing production and loss of households at 30 to 120 percent AMI, including change of tenure and net change in affordable units on a particular development site, and deducting housing units funded by OH [Seattle Office of Housing]"; and
- WHEREAS, the July 2019 report prepared for the City's Office of Planning and Community Development by the Urban Displacement Project, University of California, Berkeley, titled *Heightened Displacement Risk Indicators for the City of Seattle's Equitable Development Monitoring Program*, states that "a more granular and localized" data set is needed to "best meet the City's racial equity goals"; and
- WHEREAS, in its September 29, 2021 response to Statement of Legislative Intent OPCD-004-A-001, ("Report by OPCD, OH, and SDCI on displacement monitoring gaps") the City determined that there are

currently no sources that provide rental information data with a high level of granularity; and WHEREAS, the Council intends that the submission of information regarding the number and size of residential rental units and rental amounts to a research university contracted to provide a report to the City will help to fill the identified data gaps and better allow the City to make policy to decrease displacement risk and gentrification and inform updates to the City's Comprehensive Plan update; and WHEREAS, the Council intends for the Office of Planning and Community Development or other executive department to enter into a contract with a research university to provide the City with reports analyzing this data and continue to hold such a contract for as long as the City requires the designated information be provided to the designated research university; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The City Council finds and declares that it is necessary for the City to have and maintain a sufficiently descriptive and complete list of all rental housing units in Seattle, including analyses of market rate housing to inform policies to prevent and mitigate displacement of low-income households and the development and implementation of City programs.

Section 2. Section 22.214.010 of the Seattle Municipal Code, last amended by Ordinance 124312, is amended as follows:

22.214.010 Declaration of purpose

The City Council finds that establishing a Rental Registration and Inspection Ordinance is necessary to protect the health, safety, and welfare of the public; ((and)) prevent deterioration and blight conditions that adversely impact the quality of life in the city; and mitigate displacement. This shall be accomplished by requiring rental housing be registered and properly maintained, ((and)) that substandard housing conditions be identified and corrected, and that owners certify to the City that they have submitted information about rental units for data analysis.

Section 3. Section 22.214.040 of the Seattle Municipal Code, last amended by Ordinance 126157, is

amended as follows:

22.214.040 Rental housing registration, compliance declaration, and renewals

* * *

G. An application for a rental housing registration shall be made to the Department on forms provided by the Director. The application shall include, but is not limited to:

- 1. The address of the property;
- 2. The name, address, and telephone number of the property owners;
- 3. The name, address, and telephone number of the registration applicant if different from the property owners;
- 4. The name, address, and telephone number of the person or entity the tenant is to contact when requesting repairs be made to their rental housing unit, and the contact person's business relationship to the owner:
- 5. A list of all rental housing units on the property, identified by a means unique to each unit, that are or may be available for rent at any time((;)) . In addition, a certification signed by the owner, or its authorized representative, shall be submitted stating that it has provided to the research university selected by the Office of Planning and Community Development or other executive department, pursuant to Chapter 20.50, the same list of all rental housing units on the property, together with the following additional details for each unit, on the schedule set out in subsection 22.214.040.H.2:

a. Whether it is vacant or occupied; the net rentable square footage; the number of bedrooms; the number of bathrooms; and

b. Information sufficient to ascertain the total net monthly residential rent charged, including but not limited to total monthly residential rent being charged or to be charged if vacant (excluding any parking, storage, and other non-residential charges), as well as the amount and identity of utilities paid by the owner included in the rent charge; and, if subject to a rental agreement, the current length of the term of the

rental agreement.

The additional information submitted to the research university under this subsection

22.214.040.G.5 shall not include the name(s) of the tenant(s). The Office of Planning and Community

Development or other executive department will enter into a contract with the research university directing the latter to use its unique expertise, including but not limited to its diverse array of academic resources, to sort, analyze, and report on this data to identify relevant displacement risks for the City to use in policy and decision—making regarding housing.

- 6. A declaration of compliance from the owner or owner's agent, declaring that all housing units that are or may be available for rent are listed in the registration application and meet or will meet the standards in this Chapter 22.214 before the units are rented; and
- 7. A statement identifying whether the conditions of the housing units available for rent and listed on the application were established by declaration of the owner or owner's agent, or by physical inspection by a qualified rental housing inspector.
 - H. A rental housing registration must be renewed according to the following procedures:
- 1. A registration renewal application and the renewal fee shall be submitted before the current registration expires;
- 2. All information required by subsection 22.214.040.G shall be updated as needed, except the information required to be submitted by subsection 22.214.040.G.5 to a research university, which shall be submitted by the owner at least twice annually by March 31 and by August 31 each year following the initial registration for information on the months of February and July of that same year, respectively; and((5))
 - 3. A new declaration as required by subsection 22.214.040.G.6 shall be submitted.

* * *

Section 4. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its

application to any person or circumstance, does not affect the vali	dity of the remainder of this ordinance or the
validity of its application to other persons or circumstances.	
Section 5. This ordinance shall take effect and be in force not approved and returned by the Mayor within ten days after presented to the section of the sec	
Seattle Municipal Code Section 1.04.020.	, , , , , , , , , , , , , , , , , , , ,
Passed by the City Council the day of	, 2022, and signed by
me in open session in authentication of its passage this day	of, 2022.
President Approved / returned unsigned / vetoed this day	
Filed by me this day of	, 2022.
Monica Martinez Sir (Seal)	nmons, City Clerk

SUMMARY and FISCAL NOTE*

_Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG	Venkataraman/4-5382	

1. BILL SUMMARY

Legislation Title:

AN ORDINANCE relating to housing and displacement mitigation; expanding the information required under the Rental Registration Inspection Ordinance for rental housing units; requiring submission of information to a research university; and amending Sections 22.214.010 and 22.214.040 of the Seattle Municipal Code.

Summary and Background of the Legislation:

This legislation would require landlords to submit a certification to the Seattle Department of Construction and Inspections (SDCI) that the landlord provided information about rental housing units and rent to a research university. The information the landlord would be required to submit to the university would include whether a rental housing unit is vacant or occupied; the net rentable square footage; the number of bedrooms; the number of bathrooms; rent charged or to be charged if the unit is vacant; the amount of utilities; and the length of a rental agreement. The legislation would require the owner to furnish information to the university the City chooses twice a year. The legislation does not request personally identifiable information of the tenants.

This legislation is intended to enable the City to receive regularly from the research university data and analyses necessary to inform updates to the City's Comprehensive Plan as well as policy making to, among other public benefits, prevent displacement and gentrification and modify landlord tenant regulations. The City has previously responded to concerns about displacement with a number of policy statements and reports, including:

- 2016 Monitoring Report: Affordability of Unsubsidized Rental Housing in Seattle (OH and OPCD);
- Executive Order 2019-02 ("Actions to Increase Affordability and Address Residential Displacement"); and
- Heightened Displacement Risk Indicators for the City of Seattle's Equitable Development Monitoring Program (Urban Displacement Project, 2019).
- Resolution 31870, adopted on March 18, 2019

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4.	CAPI	$\mathbf{I}\mathbf{A}\mathbf{L}$		PRU		PKU	GRAM

Does this legislation create, fund, or amend a CIP Project? Yes _X_ No

3. SUMMARY OF FINANCIAL IMPLICATIONS

^{*} Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.

Does this legislation amend the Adopted Budget?

___ Yes <u>X</u> No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs? If so, describe the nature of the impacts. This could include increased operating and maintenance costs, for example.

Yes. The Seattle Department of Construction and Inspections (SDCI), the department currently implementing RRIO, could need resources to update its infrastructure to accommodate tracking landlord-submitted certifications. The City department, such as SDCI or the Office of Planning and Community Development (OPCD), who will manage a contract with a research university to gather, analyze, and report on the rent roll data will likely require funding to enter into the contract, either in 2022 or 2023. Central Staff will continue to discuss with City departments the level of resources and time needed to implement appropriate infrastructure and execute a contract. As stated elsewhere, there will be a budget to update the City's Comprehensive Plan and the analysis of the City's housing inventory will be helpful for various elements of that plan.

Are there financial costs or other impacts of *not* implementing the legislation?

Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.

Yes. Not having sufficient information on rental stock and rental amounts can make it difficult to assess the state of the rental market and impacts on the housing inventory, including rent levels, vacancies, demolitions and related levels and locations of physical and economic displacement, if applicable. Failure to gather this information could result in a reduced capacity by the City to determine the impacts and mitigation options needed for the housing elements of the Growth Management Act (GMA)-required major update of the City Comprehensive Plan due in 2024.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department? If so, please list the affected department(s) and the nature of the impact (financial, operational, etc.).

Yes. SDCI administers RRIO and will be responsible for tracking certifications and implementing the requirements of this ordinance. Either SDCI or another City department such as OPCD would need to choose and contract with the university that will conduct the data analysis.

The additional data to be collected could benefit several other departments in their analyses and policy proposals, including the Office of Housing (OH) and OPCD. OH works with SDCI to gather and analyze information regarding housing for purposes of informing policies and programs under the purview of OH. Similarly, OPCD could benefit from the rental and vacancy data to inform efforts associated with the City's Comprehensive Plan as well as programs crafted to prevent displacement.

b. Is a public hearing required for this legislation?

If yes, what public hearings have been held to date, and/or what public hearings are planned/required in the future? N_0

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.

No

d. Does this legislation affect a piece of property?

If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.

Nο

e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?

If yes, please explain how this legislation may impact vulnerable or historically disadvantaged communities. Using the racial equity toolkit is one way to help determine the legislation's impact on certain communities. If any aspect of the legislation involves communication or outreach to the public, please describe the plan for communicating with non-English speakers.

Having research and analysis using data on the City's rental housing inventory could help to address systemic racism in housing by providing information to create policy that could mitigate disparate impacts of gentrification and displacement that can be caused by economic or zoning changes. These impacts are often experienced disproportionately by Black, Indigenous, and other communities of color.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

Please provide a qualitative response, considering net impacts. Are there potential carbon emissions impacts of not implementing the proposed legislation? Discuss any potential intersections of carbon emissions impacts and race and social justice impacts, if not previously described in Section 4.e.

No

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

Describe the potential climate resiliency impacts of implementing or not implementing the proposed legislation. Discuss any potential intersections of climate resiliency and race and social justice impacts, if not previously described in Section 4e.

No

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? This answer should highlight measurable outputs and outcomes.

NA

Summary Attachments:

None



March 18, 2022

MEMORANDUM

To: Sustainability and Renters' Rights Committee

From: Asha Venkataraman, Analyst

Subject: CB 120284: Submitting rent and rental housing information to a university

On March 18, 2022, the Sustainability and Renters' Rights Committee (Committee) will discuss <u>Council Bill (CB) 120284</u>, sponsored by Councilmember Pedersen. The legislation would require landlords to submit rent and rental housing information to a research university and certify to the City under the Rental Registration and Inspection Ordinance (RRIO) that they had done so. This memorandum provides background, describes the bill, lays out issues for consideration, summarizes potential amendments, and outlines next steps.

Background

Over the past several years, the City has identified its need for more granular rental housing information than it currently has access to. Until 2017, the City was relying on data from Dupre + Scott Apartment Advisors, but its closure at the time and a lack of a comparable data source since then has left the City without access to detailed data when trying to analyze rental housing market conditions and risks of displacement. For example, in its report prepared for the Office of Planning and Community Development (OPCD) in 2019 (*Heightened Displacement Risk Indicators for the City of Seattle's Equitable Development Monitoring Program*), the Urban Displacement Project at the University of California, Berkeley, identified a need for "a more granular and localized" data set. In <u>Statement of Legislative Intent (SLI) OPCD-004-A-001</u>, the Council requested that OPCD, the Office of Housing (OH), and the Seattle Department of Construction and Inspections (SDCI) report on options to address the displacement monitoring data-collection gap for naturally occurring affordable housing. The SLI response evaluated collecting site-specific rent data through RRIO, but identified several challenges with this approach, including timing, resources, and IT issues.

In addition, the Council adopted Resolution 31871 in 2019, which requested that the Mayor and City departments "[d]evelop a consistent and thorough monitoring and reporting process regarding housing production and loss of households at 30 to 120 percent AMI [area median income], including change of tenure and net change in affordable units on a particular development site...." To mitigate displacement impacts on "marginalized communities, including communities of color and low-income communities, particularly in neighborhoods identified as at high risk of displacement...."

CB 120284

This legislation would require property owners to submit rent and rental housing information to a research university twice a year and certify to the City under RRIO that they had done so. Rather than placing the onus of collection and analysis on SDCI through RRIO, the legislation contemplates a research university collecting and analyzing rent and rental housing information through a contract and only requires certification to SDCI that the property owner had submitted this information. Information about February would be due by March 31 and information about July would be due by August 31 each year. The information requested would not include the tenant's name.

Property owners would be required to submit the following information for the months indicated:

- A list of all rental housing units on a property;
- Whether the unit is vacant or occupied;
- Net rentable square footage;
- Number of bedrooms and bathrooms;
- Information to reflect net monthly residential rent, including utilities if included in rent;
 and
- Length of a rental agreement.

CB 120284 would also require that OPCD or another Executive department contract with a research university to analyze the data and provide the City with reports to identify displacement risk. The City would use that information to inform its housing policy.

Issues for Consideration

As described above, CB 120284 would require OPCD or another Executive department contract with a research university. Central Staff is in discussions with Executive departments about which one would most appropriately hold such a contract. Councilmembers may want to consider amending the legislation to reflect the appropriate department upon receipt of the Executive's recommendation.

Both SDCI and the department that holds the contract with the research university may need time and resources to effectively implement the requirements of this legislation. SDCI tracks RRIO compliance through its existing Accela system. Upgrading the system to track submission of certifications may require funding and lead time before SDCI can fully monitor compliance. The department holding the contract will likely require time to determine project scope, select a research university through a procurement process, negotiate a contract, and finalize it. Because the determination of contract cost is still ongoing, it is unclear whether the department would be able to directly select the research university or it would need to use

competitive bidding, which could affect the length of the contracting process. Assuming the Council passes this legislation in time for it to be effective by the end of August. CB 120284 would require property owners to submit their information to a research university by August 31 but would not know to whom to submit it if the contracting process is not completed by that time. Central Staff is in discussion with Executive departments about these issues, and depending on the outcome of those conversations, Councilmembers may want to consider whether property owners should have to submit information starting at a different date than the legislation currently contemplates. The third potential amendment described in the "Potential Amendments" section of this memo may address this issue.

Relatedly, because this legislation has arisen after the Council's 2022 budget process, departments would need to consider whether they have existing funding that they can reprioritize. Central Staff will continue discussions with Executive departments to gain more clarity about the potential for reprioritization, but given the budget challenges the City is anticipating in 2023 due to General Fund (GF) expenditures outpacing projected GF revenues, departments are already being asked to identify areas to reduce spending in 2022 that may make it difficult to absorb these costs. The Council may need to identify a new source of funds and provide additional appropriations for infrastructure updates or contracting for this year. In addition, ongoing funding to maintain the contract would be required; Councilmembers may want to consider whether and how to include this funding during discussions this fall about the 2023 budget.

Potential Amendments

Councilmember Pedersen plans to sponsor several amendments for the Committee's consideration at its April 1 meeting. The first would add a requirement that information submitted to the research university should not include a property owner's name. Currently, the legislation only contemplates that the information should not include the tenant's name.

The second would change the scope of the work to be done by the university from reports on displacement to reports on rental housing market conditions for the City to use in decision and policy making.

The third and last amendment would change the dates by which the property owner would submit the rent and rental housing information and for which months it should submit. The legislation as currently drafted expects submission by March 31 for February information and by August 31 for July information. This amendment would revise those dates to April 15 for March information and October 15 for September information. This amendment would allow more time for infrastructure and contract execution to occur in 2022, assuming sufficient funds.

Next Steps

CB 120284 is scheduled for another discussion and potential vote in this committee on April 1, 2022. Central Staff will continue to work with Executive departments to get more information on the appropriate department for contracting, and timeline and funding needs and will work with Councilmembers on potential amendments. Please submit any amendment request to Central Staff by March 23. The Committee will likely vote on any proposed amendments at the April 1 meeting.

cc: Aly Pennucci, Acting Director