



Legislation Text

File #: CB 120173, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to relocation assistance for economically displaced tenants; requiring the payment of economic displacement relocation assistance to households that are vacating a housing unit after receiving notice of a rent increase of ten percent or more or of less than ten percent where the cumulative effect for the household's tenancy is ten percent or more; and adding a new Chapter 22.212 to the Seattle Municipal Code.

WHEREAS, rent increases may cause many households to move due to their inability to pay the higher rent;

and

WHEREAS, rents in Seattle have been increasing rapidly and vacancies in affordable rental housing are at low levels, making it increasingly difficult for many households to locate rental housing; and

WHEREAS, before moving into a rental unit, landlords typically require that households pay some type of security deposit and other move-in fees; and

WHEREAS, these conditions in the rental market have created a relocation crisis because many households do not have sufficient resources to save money to cover moving expenses; and

WHEREAS, providing economic displacement relocation assistance to households who move following a rent increase of ten percent or more will help households obtain replacement housing and mitigate the impact of the rent increase on the relocation crisis; and

WHEREAS, the Council finds that this ordinance will protect and promote the health, safety, and welfare of the general public; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. This ordinance is adopted pursuant to the City’s police power authority granted by Article 11, section 11 of the Washington State Constitution, and not pursuant to RCW 59.18.440 or other law.

Section 2. A new Chapter 22.212 is added to the Seattle Municipal Code as follows:

CHAPTER 22.212 ECONOMIC DISPLACEMENT RELOCATION ASSISTANCE - RENT INCREASE

22.212.010 Definitions

For the purposes of this Chapter 22.212, the following words or phrases shall have the meaning below unless the context clearly indicates otherwise. Terms that are not defined in this Chapter 22.212 and are defined in Chapter 22.204 shall have the meaning given to them in Chapter 22.204.

“Family household” means all occupants in the same housing unit who are members of the same family unit.

“Family unit” means 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 individuals in city or state registered domestic partnerships.

“Household” means 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.

“Housing costs” has the same meaning defined by Section 7.24.020.

“Household representative” means the household member designated by the household as the person representing the household in performing actions under this Chapter 22.212, and who is the person legally entitled to obtain the payment authorized by this Chapter 22.212. A household representative may represent only one household at a time.

“Non-family household” means: a person living alone; or occupants of a housing unit who are not members of a family household.

“Required rent-increase notice” means the notice required by subsection 7.24.030.A if it is: (1) a required rent-increase notice for ten percent or more; or (2) a required rent-increase notice for less than ten

percent.

“Required rent-increase notice for less than ten percent” means a required rent-increase notice for a one-time rent increase of less than ten percent, but where that rent increase, in combination with all other rent increases taking effect within either 12 months prior to the effective date of that rent increase or the household’s tenancy in the housing unit, whichever period is shorter, will result in a cumulative rent increase for the household of ten percent or more.

“Required rent-increase notice for ten percent or more” means a required rent-increase notice for a one-time rent increase of ten percent or more.

22.210.020 Notice

A. The Director shall prepare a notice describing how persons may obtain information about the rights and obligations of tenants and owner under this Chapter 22.212. The Director shall place the notice on the Department’s website and provide links to translated versions of the notice in the five languages most commonly spoken in Seattle other than English, as determined on an annual basis. The Director may provide links to translated versions in other languages at the Director’s discretion. If requested, the Director shall provide copies of the notice to an owner at no cost.

B. The owner shall provide the notice described in subsection 22.212.020.A with a required rent-increase notice. The owner shall provide that notice to an adult tenant of each housing unit by:

1. Personally delivering each notice or causing it to be personally delivered; or
2. Mailing each notice by certified mail, return receipt requested and by first-class mail

addressed to the housing unit.

22.212.030 Criteria for economic displacement relocation assistance

A household representative is entitled to economic displacement relocation assistance if:

- A. A tenant of the housing unit has received a required rent-increase notice;
- B. The household representative complies with the deadlines or extensions in Section 22.212.040; and

C. After receiving the required rent-increase notice but before the rent increase takes effect, the household vacates the housing unit or a member of the household has given written notice to the owner of the date the household intends to vacate the housing unit.

22.212.040 Application for economic displacement relocation assistance

A. Within 180 days after a tenant in the household receives a required rent-increase notice or 60 days after the rent increase goes into effect, whichever date is later, the household representative may apply to the Director for economic displacement relocation assistance by submitting an application to the Director on a form approved by the Director. If the household representative fails to submit an application within either 180 days after a tenant in the household receives the required rent-increase notice or 60 days after the rent increase goes into effect, whichever date is later, the household representative is not entitled to economic displacement relocation assistance unless the household representative requests, and the Director approves the request for, an extension of time to submit the application. The extension request must explain why the household representative is unable to apply before the expiration of the applicable period. The Director shall approve the extension request if the Director receives it before the expiration of the applicable period and determines that the household representative has good cause for being unable to apply within the applicable period. The Director shall notify the household representative and the owner in writing whether the extension has been approved or rejected. If the Director approves the extension, the household representative will have an additional 60 days after the expiration of the original applicable period in which to submit the application.

B. The application shall include:

1. An affidavit identifying the date the household representative's household vacated the housing unit or a copy of the notice the household gave to the owner identifying the date the household intends to vacate the housing unit;

2. A copy of the current rental agreement or, if the tenancy is not subject to a written agreement or the household does not have a copy of it, proof of housing costs for the 12 months prior to the effective date

of the required rent-increase notice or for the household's tenancy in the housing unit, whichever period is shorter;

3. Documentation establishing that that rent increase is for ten percent or more or, in combination with all other rent increases taking effect within 12 months prior to the effective date of that rent increase or the household's tenancy in the housing unit, whichever period is shorter, will result or resulted in a cumulative rent increase of ten percent or more; and

4. The number of family and non-family households occupying the housing unit and the names of all members of each household.

C. Within five days after receiving the application, the Director shall notify the owner in writing that the household representative has submitted an application for economic displacement relocation assistance.

D. The Director may ask the household representative to provide information to complete an application for economic displacement relocation assistance. The household representative is not entitled to economic displacement relocation assistance if the household representative fails to provide the requested information within 30 days after receiving the Director's request, unless the household representative requests, and the Director approves the request for, an extension of time to provide the requested information. The extension request must explain why the household representative is unable to provide the information before the expiration of the 30-day period. The Director shall approve the extension request if the Director receives it before the expiration of the 30-day period and determines that the household representative has good cause for being unable to provide the requested information within the period. If the Director approves the extension request, the household representative will have an additional 30 days after the expiration of the original 30-day period in which to submit the requested information.

E. Within ten days after the Director receives a complete application, the Director shall send by certified mail, return receipt requested and by first-class mail to the household representative and the owner a notice stating whether the household representative is entitled to economic displacement relocation assistance

pursuant to Section 22.212.030 and identifying the amount of any entitlement as calculated pursuant to Section 22.212.050.

F. If the household rescinds its notice of vacation or fails to vacate the housing unit by the date identified on the written notice of vacation at any time after the household representative submits an application to the Director and before the Director pays economic displacement relocation assistance to the household representative, the household representative must withdraw the application for economic displacement relocation assistance by providing written notice to the Director.

22.212.050 Calculation of economic displacement relocation assistance payment

The Director shall calculate the amount of economic displacement relocation assistance, if any, to which the household representative is entitled. To calculate that amount, the Director shall:

A. Determine the average monthly housing costs for the housing unit, based upon either: the housing costs for the 12 months prior to the effective date of that rent increase or for the household's tenancy in the housing unit, whichever period is shorter;

B. 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

C. Multiply the average monthly housing costs per household by three.

22.212.060 Owner's payment of economic displacement relocation assistance to the Director

A. The owner shall pay to the Director the amount of assistance, if any, identified in the Director's notice described in subsection 22.212.040.E within seven days after the owner receives the notice.

B. The owner may not reduce the amount of the assistance payment by any amount the owner believes the tenant owes the owner, such as a security deposit for damage to the property for which the tenant is responsible. Nothing in this Chapter 22.212 precludes the owner from seeking such amounts from the tenant pursuant to other applicable law.

C. Payment by the owner of economic displacement relocation assistance under this Chapter 22.212

does not constitute compliance with the tenant relocation assistance requirements of Chapter 22.210.

22.212.070 Payment of economic displacement relocation assistance to the household representative

A. The Director shall pay the household representative the amount of assistance, if any, identified in the Director's notice described in subsection 22.212.040.E within 14 days after the Director sends the notice described in subsection 22.212.040.E .

B. An economic displacement relocation assistance payment received by a household representative under this Chapter 22.212 shall not be considered as income for any City benefit program or affect the amount to which any person may be entitled under any City benefit program.

22.212.080 Refunds

If after the owner has already paid economic displacement relocation assistance to the Director, the household fails to vacate the housing unit by the date identified on the written notice of vacation, rescinds its notice of vacation, or withdraws the application for economic displacement relocation assistance:

A. The Director will refund the amount paid by the owner within ten days after the Director receives notice of the failure, rescission, or withdrawal; and

B. If the household representative has received an economic displacement relocation assistance payment, the household representative shall refund the payment to the Director within ten days after the failure, rescission, or withdrawal.

22.212.090 Administrative appeals

A. The owner or a household representative may appeal the Director's decision approving or denying the application for an economic displacement relocation assistance payment, including the Director's calculation of the amount of any economic displacement relocation assistance payment under Section 22.212.050.

B. A notice of appeal shall be filed with the Seattle Hearing Examiner by 5 p.m. within ten days after receipt of the Director's decision, and by that same date, copies of the notice of appeal shall be placed in the

mail, postage pre-paid, for service on the Director and any non-appellant owner or household representative. Proof of service shall be filed with the Hearing Examiner.

C. A notice of appeal shall be in writing, specifically describe the alleged errors in the Director's decision, and describe the relief sought.

D. The Hearing Examiner shall hold a hearing on the appeal pursuant to procedures prescribed by the Hearing Examiner, subject to the procedures prescribed by this Section 22.212.090. The Hearing Examiner shall provide notice of the hearing to all parties of record at least ten days prior to the scheduled hearing date.

E. The Hearing Examiner shall establish a record at the hearing. Appeals shall be considered de novo. The Hearing Examiner may affirm, reverse, remand, or modify the Director's decision. The Hearing Examiner's decision shall bind the Director and parties of record.

F. The Hearing Examiner shall issue a decision within 20 days after the date of record closure. The decision shall be final and conclusive. On the day the decision is issued, a copy of the decision shall be mailed or emailed to all parties of record and all other persons requesting a copy of the decision.

22.212.100 Administration, enforcement, and violations

A. The Director shall administer and enforce the provisions of this Chapter 22.212 and may adopt rules and regulations to implement the Director's duties established by this Chapter 22.212.

B. A restricted accounting unit designated as the Economic Displacement Relocation Assistance Account is established in the Construction and Inspections Fund, from which account the Director may make any payment authorized by this Chapter 22.212. Money from the following sources shall be paid into the Economic Displacement Relocation Assistance Account:

1. Fines and penalties collected pursuant to Sections 22.212.110 and 22.212.120;
2. Sums that may by ordinance be appropriated to or designated as revenue to the Account;
3. Other sums that may be deposited into the Account by gift, bequest, or grant;
4. Refund of monies paid to The City of Seattle as relocation assistance from the Account; and

5. Relocation assistance monies paid by owners to the Director pursuant to Section 22.212.060.

C. Any failure to comply with a requirement of this Chapter 22.212 or a rule or regulation adopted under this Chapter 22.212 is a violation of this Chapter 22.212, including, but not limited to:

1. Receipt of economic displacement relocation assistance pursuant to this Chapter 22.212 by a person not entitled to such assistance;

2. Failure by the household representative to refund the economic displacement relocation assistance payment as required by subsection 22.212.080.B; and

3. Failure by the owner to pay economic displacement relocation assistance pursuant to Section 22.212.060.

D. A separate violation of this Chapter 22.212 exists for each day there is a failure to comply with a requirement of this Chapter 22.212 or a rule or regulation adopted under this Chapter 22.212.

22.212.110 Citations

A. Citation. If after investigation the Director determines that a person has committed a violation of this Chapter 22.212, the Director may issue a citation to the person responsible for the violation. The citation shall include the following information:

1. The name and address of the responsible person to whom the citation is issued;

2. A reasonable description of the location of the property on which the relevant housing unit is located;

3. A separate statement of each requirement, rule, or regulation violated;

4. The date the violation occurred;

5. A statement that the person cited must respond to the citation within 15 days after service;

6. The applicable citation penalty;

7. A statement that a response must be sent to the Hearing Examiner and received not later than 5 p.m. on the day the response is due;

8. The name, address, and phone number of the Hearing Examiner where the citation is to be filed; and

9. A statement that the citation represents a determination that a violation has been committed by the responsible person named in the citation and that the determination shall be final unless contested as provided in subsection 22.212.110.C.

B. Service. The citation must be served by personal service in the manner set forth in RCW 4.28.080 for service of a summons or sent by first class mail, addressed to the last known address of the responsible person named in the citation. Service shall be complete at the time of personal service, or if mailed, three days after the date of mailing.

C. Response to a citation

1. The person cited must respond to a citation in one of the following ways:

- a. Payment of the citation penalty specified in the citation, in which case the record shall show a finding that the person cited committed the violation;
- b. A written request for a mitigation hearing to explain the circumstances surrounding the commission of the violation, with an address to which notice of such hearing may be sent; or
- c. A written request for a contested hearing specifying why the cited violation did not occur or why the person cited is not responsible for the violation, with an address to which notice of such hearing may be sent.

2. A response to a citation must be received by the Hearing Examiner by 5 p.m. within 15 days after the date service of the citation is complete.

D. Failure to respond. If the Hearing Examiner does not receive a response within the period prescribed by subsection 22.212.110.C.2, the Hearing Examiner shall enter an order finding that the person cited committed the violation stated in the citation and assessing the citation penalty specified in the citation.

E. Hearings

1. Mitigation hearing

a. Date and notice. If the person cited requests a mitigation hearing, the Hearing Examiner shall hold a mitigation hearing within 30 days after the Hearing Examiner receives the written response to the citation requesting such hearing. The Hearing Examiner shall send notice of the time, place, and date of the hearing to the address specified in the request for hearing no later than ten days prior to the date of the hearing.

b. Procedure at hearing. The Hearing Examiner shall hold an informal hearing that shall not be governed by the Rules of Evidence. The person cited may present witnesses, but witnesses may not be compelled to attend. The Director may also attend the hearing and may present additional information, but is not required to attend.

c. Disposition. The Hearing Examiner shall determine whether the person cited's explanation justifies reducing the citation penalty, but the citation penalty may not be reduced unless the Director affirms or certifies that the violation has been corrected prior to the mitigation hearing. Factors that may be considered in whether to reduce the citation penalty include: whether the violation was caused by the act, neglect, or abuse of another; or whether correction of the violation was commenced promptly prior to citation, but full compliance was prevented by a condition or circumstance beyond the control of the person cited.

d. Entry of order. After hearing the explanation of the person cited and any other information presented at the hearing, the Hearing Examiner shall enter an order finding that the person cited committed the violation and assessing a citation penalty in an amount determined pursuant to subsection 22.212.110.F, which amount the Examiner may reduce pursuant to the mitigation factors in subsection 22.212.110.E.1.c. The Hearing Examiner's decision is the final decision of the City on the matter.

2. Contested hearing

a. Date and notice. If the person cited requests a contested hearing, the Hearing Examiner

shall hold the hearing within 60 days after the Hearing Examiner receives the written response to the citation requesting such hearing.

b. Hearing. The Hearing Examiner shall conduct a contested hearing pursuant to the procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for hearing contested cases, except as modified by this subsection 22.212.110.E.2. The issues heard at the hearing shall be limited to those that are raised in writing in the response to the citation and that are within the jurisdiction of the Hearing Examiner. The Hearing Examiner may issue subpoenas for the attendance of witnesses and the production of documents.

c. Sufficiency. No citation shall be deemed insufficient for failure to contain a detailed statement of the facts constituting the specific violation that the person cited is alleged to have committed or by reason of defects or imperfections, provided that such lack of detail or defects or imperfections do not prejudice a substantial right of the person cited.

d. Amendment of citation. A citation may be amended prior to the conclusion of the hearing to conform to the evidence presented if a substantial right of the person cited is not thereby prejudiced.

e. Evidence at hearing. A certified statement or declaration that complies with RCW 9A.72.085 and is made by the Director shall be prima facie evidence that a violation occurred and that the person cited is responsible. The certified statement or declaration and any other evidence accompanying it shall be admissible without further evidentiary foundation. The person cited may rebut the Director's evidence and establish that the cited violation did not occur or that the person contesting the citation is not responsible for the violation.

f. Disposition. If the citation is sustained at the hearing, the Hearing Examiner shall enter an order finding that the person cited committed the violation. If the violation remains uncorrected, the Hearing Examiner shall impose a citation penalty in an amount determined pursuant to subsection 22.212.110.F. If the violation has been corrected, the Hearing Examiner may reduce the citation penalty pursuant to the mitigation

factors in subsection 22.212.110.E.1.c. If the Hearing Examiner determines that the violation did not occur, the Hearing Examiner shall enter an order dismissing the citation. The Hearing Examiner's decision is the final decision of the City on the matter.

3. Failure to appear for hearing. Failure of the person cited or their attorney to appear for a requested hearing will result in an order being entered finding that the person cited committed the violation stated in the citation and assessing the citation penalty specified in the citation. For good cause shown and upon terms the Hearing Examiner deems just, the Hearing Examiner may set aside an order entered upon a failure to appear.

F. Citation penalties

1. Unless reduced pursuant to subsection 22.212.110.E, the following citation penalties shall be assessed for violations of any provision of this Chapter 22.212:

- a. \$1,000 for the first violation; and
- b. \$2,000 for each subsequent violation within a five-year period.

2. Collection of penalties. If the person cited fails to pay a citation penalty imposed pursuant to this Section 22.212.110, the citation penalty may be referred to a collection agency. The cost to the City for the collection services will be assessed as costs, at the rate agreed to between the City and the collection agency, and added to the citation penalty. Alternatively, the City may pursue collection in any other manner allowed by law.

22.212.120 Notice of violation; penalties

A. If the Director determines that a violation of this Chapter 22.212 has occurred, the Director may serve a notice of the violation upon the person responsible for the violation. The Director may serve the notice by personal service, registered mail, or certified mail, to the last known address of the person responsible for the violation. The notice of violation shall identify the violation of this Chapter 22.212 and what corrective action is necessary to comply with the requirements of this Chapter 22.212.

B. In addition to any other sanction or remedial procedure that may be available, any person violating any provision of this Chapter 22.212 may be subject to a civil penalty in the amount of \$1,000 per day for each violation from the date the violation began until the requirements of this Chapter 22.212 are satisfied, as applicable.

C. If a violation of this Chapter 22.212 resulted in a household representative not receiving economic displacement relocation assistance to which the household representative was entitled, the civil penalty shall be increased by the amount of the economic displacement relocation assistance that the household representative did not receive. The Director shall pay the household representative the economic displacement relocation assistance that was due.

D. If a violation of this Chapter 22.212 is for receipt of economic displacement relocation assistance by a person not entitled to such assistance because the person intentionally misrepresented material information regarding entitlement to assistance under subsection 22.212.100.C.1, the civil penalty shall be increased by the amount of economic displacement relocation assistance the household representative received. The Director shall refund the amount paid by the owner.

E. The civil penalty imposed by this Section 22.212.120 may be collected by civil action brought in the name of the City. Actions to enforce this Chapter 22.212 shall be brought exclusively in Seattle Municipal Court except as otherwise required by law or court rule. The Director shall notify the City Attorney of the name of any person subject to the civil penalty and the City Attorney may take action to collect the civil penalty. In any action filed pursuant to this Chapter 22.212, the City has the burden of proving by a preponderance of evidence that a violation exists or existed.

22.212.130 Warnings

Before issuing a citation or a notice of violation, the Director may, in an exercise of discretion, issue a warning to the person responsible for the violation if that person has not been previously warned or cited for violating this Chapter 22.212.

Section 3. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, subsection, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance or the validity of its application to other persons or circumstances.

Section 4. Section 2 of this ordinance shall take effect and be in force 180 days after the effective date of this ordinance.

Section 5. 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, and signed by
me in open session in authentication of its passage this _____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)