

## **SUMMARY and FISCAL NOTE**

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Mayor's Office	Christa Valles	Lorine Cheung

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to residential property transactions; requiring certain disclosures to owners before presenting an offer to purchase a residential property; establishing consumer protections for owners of solicited residential property; and adding a new Chapter 6.610 to the Seattle Municipal Code.

**Summary and Background of the Legislation:** This legislation will establish new consumer protections for owners of solicited residential property as well as penalties for buyers who fail to comply with these new protections.

For residential property transactions in which a potential buyer actively solicits the purchase of residential property through public advertising or written, electronic, or in-person contact with an owner of residential property that is not currently publicly available or listed on the real estate market for purchase, residential property owners will have the right to an appraisal by a licensed appraiser, receive notice of the right to an appraisal, and have the right to cancel the purchase contract.

The legislation closely aligns with recently passed state legislation ([HB 1081](#)) but differs by allowing the City to impose more stringent fines on violators, provides more notice to residential property owners of their rights and legal protections, provides them more time to cancel the purchase contract, and provides residential property owners a private right of action if the buyer fails to comply with the City ordinance.

### **2. CAPITAL IMPROVEMENT PROGRAM**

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

### **3. SUMMARY OF FINANCIAL IMPLICATIONS**

Does this legislation have financial impacts to the City? ☐ Yes ☒ No

#### **3.d. Other Impacts**

**Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.**

No.

**If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.**

Some of the costs of implementing the ordinance can be absorbed within existing resources. The Department of Finance and Administrative Services (FAS) will reassign a strategic advisor to help implement the ordinance but does not envision that the strategic advisor's role in implementation would extend beyond 2025.

**Please describe any financial costs or other impacts of *not* implementing the legislation.**

N/A

**Please describe how this legislation may affect any City departments other than the originating department.**

N/A

#### **4. OTHER IMPLICATIONS**

**a. Is a public hearing required for this legislation?**

No

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

No

**c. Does this legislation affect a piece of property?**

No

**d. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

Predatory home-buying practices target the most vulnerable in the community, and homeowners who sell in response to unsolicited offers may receive less for their home than if they had listed it on the open market. In addition, predatory home-buying practices can target communities of color, contributing to economic disparities, displacement, and erosion of generational wealth while also reinforcing historical patterns of racial segregation.

- ii. **Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

N/A

- iii. **What is the Language Access Plan for any communications to the public?**

FAS will create and post information documents translated into the top tier languages in King County. FAS will also provide language access services through use of the Language Line to customers who contact FAS to file a complaint or seek information about the legislation.

**e. Climate Change Implications**

- i. **Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

N/A

- ii. **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.**

N/A

- f. **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)? What mechanisms will be used to measure progress towards meeting those goals?**

N/A

- g. **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

N/A

## 5. ATTACHMENTS

**Summary Attachments:** None.