

**BILL SUMMARY & FISCAL NOTE**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>Executive Contact/Phone:</b>
Legislative	Asha Venkataraman 4-5382	Faith Lumsden 5-0097

**1. BILL SUMMARY**

**Legislation Title:**

AN ORDINANCE relating to the provision of tenant relocation assistance to displaced tenants; establishing requirements for residential tenancies; establishing regulations about penalties and the issuance of building permits for violators of the Tenant Relocation Assistance Ordinance; amending Sections 7.24.030, 7.24.050, 10.09.085, 22.210.030, 22.210.140, 22.210.150, and 22.210.180 of the Seattle Municipal Code and adding a new Section 22.210.136; amending Section 106.6.3 of the 2012 Seattle Building Code; and amending Section R105.6.3 of the 2012 Seattle Residential Code.

**Summary and Background of the Legislation:**

The legislation makes the following changes to the current law:

The City’s Rental Agreement Regulation Ordinance is modified to:

- Require inclusion of a provision in rental agreements mandating that a landlord provide written notice to a tenant, between 60 and 120 days before the end of the lease term, informing the tenant whether the landlord is planning to offer the tenant a new tenancy.
- Make failure to provide this notice a defense to any action to evict the tenant for holding over or continuing in possession after the expiration of the term, for unlawful detainer, or to enforce a rental agreement.

The City’s Tenant Relocation Assistance Ordinance (TRAO) is modified to:

- Define the term rent, which means “the basic charge for a tenant’s use of the dwelling unit and any periodic or monthly fees for other services paid to a landlord by a tenant, but do not include utility charges that are based on usage and that a tenant has agreed in the rental agreement to pay.”
- Prohibit the increase of rent for the purpose of avoiding TRAO.
  - A tenant who has received a notice of rent increase and believes the purpose of the increase is to circumvent the TRAO requirements may file a complaint with DPD.
  - DPD investigates the complaint and decides if the rent increase was made to avoid TRAO.

- There is a rebuttable presumption that a rent increase of 20% or more, in conjunction with other criteria, constitutes a violation of TRAO.
  - If DPD finds the rental property owner has violated TRAO, penalties can be assessed.
  - The rental owner or tenant may appeal DPD’s decision to the Hearing Examiner within 10 days after receipt of the DPD Director’s decision.
  - DPD is prohibited from issuing a permit until the rental owner pays any penalties assessed as a result of a violation of TRAO.
- Amend the definition of substantial rehabilitation to account for changes that do not require a permit but would still require displacement of a tenant and is valued at \$6,000 or more. A rental property owner performing substantial rehabilitation that fits either definition would be required to comply with TRAO, including the payment of relocation assistance to eligible tenants.

**2. CAPITAL IMPROVEMENT PROGRAM**

**This legislation creates, funds, or amends a CIP Project.**  
 (If box is checked, please attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page.)

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Cost:

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

Please check one:

**This legislation has direct financial implications.** (If the legislation has direct fiscal impacts (appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the “Other Implications” section.)

**This legislation does not have direct financial implications.**  
 (Please skip to “Other Implications” section at the end of the document and answer questions a-i.)

Budget program(s) affected:	DPD Code Compliance			
	General Fund \$		Other \$	
Estimated \$ Appropriation change:	2015	2016	2015	2016
		0	\$90,000	0
Estimated \$ Revenue change:	Revenue to General Fund		Revenue to Other Funds	
	2015	2016	2015	2016
Positions affected:	No. of Positions		Total FTE Change	
	2015	2016	2015	2016
	0	1	0	1

<b>Other departments affected:</b>	Hearing Examiner
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**3.a. Appropriations**

**X This legislation adds, changes, or deletes appropriations.**

(If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues)

Fund Name and number	Dept	Budget Control Level Name/##*	2015 Appropriation Change	2016 Estimated Appropriation Change
Code Compliance U2400	DPD	Code Compliance		\$90,000
<b>TOTAL</b>				<b>\$90,000</b>

\*See budget book to obtain the appropriate Budget Control Level for your department.

(This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not complete supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.)

Appropriations Notes:

This legislation would require funding the addition of one full time staff member at DPD in the Code Compliance work group. DPD would also be required to expand the scope of the ongoing project that will replace the permit and complaint tracking system at the end of 2016. Additional tenant relocation assistance payments may be made following the passage of this legislation.

Work required to implement the new code provisions includes the following:

1. Set up new TRAO complaint and rent certification process;
2. Develop new Rental Agreement Regulation Ordinance (RARO) complaint and NOV tracking.
3. Update existing and future DPD permit and complaint tracking systems as well as Code Compliance processes and procedures.
4. Develop public information and possible director’s rules to educate landlords and tenants on new TRAO and RARO requirements; establish guidelines for when remodeling work that does not require a permit will trigger “substantial rehabilitation.”
5. Produce updated tenant information packet as required by RARO.
6. Staff telephone lines to provide info to tenants and landlords on new TRAO and RARO requirements – ongoing.
7. Process complaints about TRAO rent increases and require TRAO certifications.
8. Investigate complaints following certifications or failure of landlord to certify.
9. Determine whether substantial rehabilitation is taking place.
10. Conduct rent analysis.
11. Determine whether TRAO violation exists. (If yes, NOV, distribute to landlord and tenant; if no then write to both landlord and tenant to inform. Include info on appeals to hearing examiner.)
12. Appeals – prepare file and materials; prepare economist and other supporting testimony; defend decision. Appeals may include requests for public disclosure. Follow up as needed.

13. Process complaints about termination of tenancy and/or rent increases under RARO.
14. Investigation and outreach to property owners and landlords on termination of tenancy or rent increase complaints under RARO. NOV's and follow up as needed.

**3.b. Revenues/Reimbursements**

     This legislation adds, changes, or deletes revenues or reimbursements.

(If this box is checked, please complete this section. If this box is not checked, please proceed to Positions)

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Dept	Revenue Source	2015 Revenue	2016 Estimated Revenue
<b>TOTAL</b>				

(This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Do the revenue sources have match requirements? If so, what are they?)

Revenue/Reimbursement Notes:

**3.c. Positions**

  X   This legislation adds, changes, or deletes positions.

(If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications)

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2016 Positions	2016 FTE	Does it sunset? (If yes, explain below in Position Notes)
	Housing Ordinance Specialist		Code Compliance U2400	FT	1.0	1.0	No
<b>TOTAL</b>					<b>1.0</b>	<b>1.0</b>	

\* List each position separately

(This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.)

Position Notes:

**4. OTHER IMPLICATIONS**

**a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?**

(If yes, explain here.) Additional tenant relocation assistance payments may be made following the passage of this legislation.

**b) Is there financial cost 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.) No.

**c) Does this legislation affect any departments besides the originating department?**

(If so, please list the affected department(s), the nature of the impact (financial, operational, etc), and indicate which staff members in the other department(s) are aware of the proposed legislation.) Yes. The Office of the Hearing Examiner would receive additional appeals. Both DPD and the Hearing Examiner would face increased workload from the additional appeals. It is difficult to determine at this time what the increase will be and if additional resources are needed for hearings.

**d) Is a public hearing required for this legislation?**

(If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned for the future?) No.

**e) 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.

**f) 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.) No.

**g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**

(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.) The legislation would further aid persons within vulnerable low-income communities by increasing the amount of time they have to find affordable housing, and who move without relocation payments that they would otherwise be entitled to.

**h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**

(This answer should highlight measureable outputs and outcomes.) Not a new initiative or major expansion.

**i) Other Issues:**

**List attachments below:**