

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
LEG	Venkataraman/4-5382	

*\* 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.*

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to residential tenancy; limiting the amount of fees charged for late payment of rent and for notices issued to tenants; and adding a new Section 7.24.034 to the Seattle Municipal Code.

**Summary and Background of the Legislation:** This legislation would limit the amount of fees a landlord could charge to a tenant when the tenant is late paying rent to \$10 per month. It would also prohibit any other fee associated with late payment of rent and fees for the issuance of notices to the tenant.

**2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?**      \_\_\_ Yes  X  No

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**      \_\_\_ Yes  X  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?**

Costs to the Seattle Department of Construction and Inspections are described below.

**Are there financial costs or other impacts of *not* implementing the legislation?**  
To the extent that excessive late or notice fees increase the likelihood of increased debt and a potential eviction record, not implementing limits on late or notice fees could increase the potential for tenants to be unstably housed, lose housing, or remain unhoused/unable to obtain housing.

**4. OTHER IMPLICATIONS**

**a. Does this legislation affect any departments besides the originating department?**

SDCI will enforce this legislation. Given the amount and complexity of landlord-tenant policy that has gone into effect at the state and City levels over the past several years, the recommencement of evictions since the lifting of the eviction moratorium, and increases in tenant relocation assistance claims, SDCI's Property Owner and Tenant Assistance (POTA) group has indicated it is dealing with a substantial increase in call volume, an increase in

response time to inquiries for assistance, and staff at or over capacity. This piece of legislation is an incremental addition to an already large body of work. For example, SDCI indicates that intakes (questions, coaching, advice, cases) have increased over the past several years (please note this table does not fully reflect the volume of all calls and calls related to the Economic Displacement Relocation Assistance legislation are not reflected here, but demonstrates the increase year to year):

Year	Intake
2019	2399
2020	2799
2021	3271
2022	4847

In addition, SDCI indicated that cases have become more complicated and time-consuming over the last few years. SDCI also indicates that response times reflect a triage system that puts the most critical cases such as emergencies, eviction notices, and lock-outs first, situations with timelines such as rent increases second, and issues that do not have a timelines last. The overall average wait times to respond to a complaint are:

**POTA Complaints**

Year	Average of Wait Time (days)
2019	13.6
2020	15.7
2021	21.0
2022	25.5

SDCI notes that while urgent situations are addressed more quickly, non-urgent complaints can take longer than these averages and general questions and coaching not associated with a complaint can take even longer.

Given the uncertainty of the level of “new normal” workload, and indications that there will be a significantly higher workload and customer demand, SDCI indicated that an additional code compliance analyst for the POTA group would help improve performance time. However, it is not clear how much one or more analysts would improve performance time. The fully loaded cost of one FTE code compliance analyst is about \$138,000.

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

No

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

No

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

No

**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?**

To the extent that excessive late and notice fees increase the likelihood of unpaid debt or an eviction record, capping them could mitigate impacts of eviction and housing instability that 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?**

NA

**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.**

NA

**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)?**

NA

**Summary Attachments (if any):**