

May 20, 2022

MEMORANDUM

To: Sustainability and Renters' Rights Committee
From: Asha Venkataraman, Analyst
Subject: CB 120325: Submitting rent and rental housing information to a university

On May 20, 2022, the Sustainability and Renters' Rights Committee (Committee) will discuss [Council Bill \(CB\) 120325](#), sponsored by Councilmember Pedersen. This 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.

The Committee previously discussed a substantially similar bill, [CB 120284](#), on March 18. To address changes the sponsor wanted to make, which necessitated a title change, a new bill needed to be introduced, resulting first in [CB 120315](#), and now this legislation currently before the Committee. The [March 18 Central Staff memo](#) provides the background and substance of CB 120284.

This memorandum briefly describes the original bill, highlights the differences between the bills, summarizes issues for consideration, describes potential amendments, and outlines next steps.

CB 120284

CB 120284 would require property owners to submit rent and rental housing information to a research university twice a year and certify to the City under the Rental Registration Information Ordinance (RRIO) program that they had done so. The Office of Planning and Community Development (OPCD) or another City department would contract with the research university to provide analysis of displacement risks in Seattle. Property owners would need to certify to the Seattle Department of Construction and Inspections (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.

Differences between CB 120284, CB 120315, and CB 120325

CB 120284's title specified the sections of the Seattle Municipal Code it would amend, which did not allow for changes reflecting the sponsor's desire to impose different enforcement provisions for violations of the new requirements under RRIO. CM Pedersen incorporated these changes in a new bill with a title broad enough to accommodate those potential changes, introduced as CB 120315. CB 120315 reorganized the structure of the new language and also incorporated other substantive changes, which would have otherwise been amendments to CB 120284.

These changes include:

- The addition of “non-profit organization” to the existing references to “research university” to describe the type of entity that would conduct an analysis;
- Switching the due dates for submission for information about February due by March 31 to information about March due by April 15, and information about July due by August 31 to information about September due October 15;
- Adding the name of the property owner and the address of the property to the list of required information for submission to the research university; and
- Adding analysis of rental housing market conditions to the analysis of displacement risks by the research university receiving the information.

After CB 120315 was introduced, the sponsor wanted to make additional changes, which are reflected in the current legislation before the Committee, CB 120325. The main difference between CB 120315 and CB 120325 is the removal of the term “non-profit” where it previously appeared. The other substantive change is the addition of a sunset provision, which states that the new section requiring submission of information will expire the next time Seattle’s comprehensive plan update is adopted, or on December 31, 2025, whichever is later. The rest of the bill remains the same.

Continuing issues for consideration

All of the issues identified in the March 18 Central Staff memo as related to CB 120284 persist for CB 120325. In short:

- SDCI will require time to update its IT system Accela to allow it to effectively monitor compliance;
- The department holding the contract with the research university will require time to determine project scope, select a research university through a procurement process, negotiate a contract, and finalize it so that property owners will know to whom they should submit information;
- Due to the budget challenges the City is anticipating in 2023 due to General Fund (GF) expenditures outpacing projected GF revenues, departments are being asked to identify areas to reduce spending in 2022. SDCI and other departments have indicated they cannot absorb the costs of IT updates, additional staff, and contract costs with existing funds; and
- The Council may need to identify a new source of funds and provide additional appropriations for 2022 and beyond to implement this legislation. If the Council passes this legislation, it would likely need to consider whether and how to include this funding in a supplemental bill and also during discussions this fall about the 2023 budget.

Additional issues for consideration

First, as soon the bill goes into effect, a research university would need to be ready to receive the required information from property owners and analyze that information. Without knowing who will be awarded the contract, the City cannot determine whether that party has the infrastructure in place to accept submittals from property owners or would otherwise be able to accept information while setting up the needed infrastructure. Committee members may want to consider amending CB 120325 to push the effective date of the operative provisions until a time after contract execution, allowing the research university additional time to set up the necessary infrastructure.

Second, one of the pieces of information required by the bill is “information sufficient to ascertain the current housing costs.” For clarity and to decrease confusion, Committee members may want to consider amending this language to eliminate the phrase “information sufficient to ascertain the” and leave only the phrase “current housing costs.”

Third, the sunset provision in CB 120325 would only apply to the section requiring submission of information to the research university (new section 22.214.055). The Committee may want to consider adding the sunset provision to the portions of the bill that require submission of certification to SDCI under RRIO pursuant to the twice a year schedule. This would ensure that portions of the bill that should expire together are not left in the code inadvertently when the sunset for section 22.214.055 is triggered.

In addition, Executive staff have provided additional feedback for the Committee’s consideration, some of which has been discussed previously. Please see Attachment A for their comments.

Potential Amendments

Councilmember Pedersen authored and Councilmember Morales plans to sponsor one amendment for the Committee’s consideration at the May 20 meeting. Proposed Amendment 1 would exempt violations of the new sections (requiring submission of information on the schedule provided and submission of the certification under RRIO) from the penalty provisions that currently apply in RRIO and subject them to a different penalty scheme.

Currently, [Section 22.214.086.A.1](#), which governs penalties for violations of failure to comply with RRIO, subjects the violator to a cumulative civil penalty of \$150 per day for the first ten days of a violation or failure to comply and \$500 per day for each day thereafter. Proposed Amendment 1 would instead subject the violator to a penalty of up to \$500 for the first violation and up to \$1,000 for each subsequent violation in a three-year period. These penalties are modeled after the penalties levied for citations for violation of rental agreement regulations in [Section 7.24.130.F.1](#). This amendment would also make a technical change, renumbering a section where it was inadvertently left unchanged in the underlying bill text.

Next Steps

If the Committee recommends the legislation be passed at its May 20 meeting, the earliest the City Council could consider CB 120325 is on May 31. If passed, funding to support the changes needed for SDCI's infrastructure and for the contract with a research university will likely require discussion when the Executive transmits its supplemental budget and during budget discussions for the 2023 budget.

Attachments:

1. SDCI OH OPCD Comments on CB 120325

cc: Aly Pennucci, Deputy Director