

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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** 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 housing and displacement mitigation; expanding the information required for submission under the Rental Registration Inspection Ordinance for rental housing units; requiring submission of rental housing–related information; and amending Chapter 22.214 of the Seattle Municipal Code.

Summary and Background of the Legislation:

This legislation would require landlords to submit a certification to the Seattle Department of Construction and Inspections (SDCI) that the landlord provided information about rental housing units and rent to a third party like a research university for analysis. The information the landlord would be required to submit would include whether a rental housing unit is vacant or occupied; the net rentable square footage; the number of bedrooms; the number of bathrooms; housing costs or to be charged if the unit is vacant (“housing costs” includes rent and any periodic or monthly fees for other services such as storage and parking paid to the landlord by the tenant); the amount of utilities; and the length of a rental agreement. The legislation would require the owner to furnish information to the research university the City chooses twice a year. The legislation does not request personally identifiable information of the tenants.

This legislation is intended to enable the City to receive regularly from the third-party data and analyses to inform updates to the City’s Comprehensive Plan as well as policy making to, among other public benefits, prevent displacement and gentrification. The City has previously responded to concerns about displacement with a number of policy statements and reports, including:

- 2016 Monitoring Report: Affordability of Unsubsidized Rental Housing in Seattle (OH and OPCD);
- Executive Order 2019-02 (“Actions to Increase Affordability and Address Residential Displacement”); and
- Heightened Displacement Risk Indicators for the City of Seattle’s Equitable Development Monitoring Program (Urban Displacement Project, 2019).
- Resolution 31870, adopted on March 18, 2019

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes 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?

If so, describe the nature of the impacts. This could include increased operating and maintenance costs, for example.

Yes. The Seattle Department of Construction and Inspections (SDCI), the department currently implementing RRIO, has stated it will likely need resources to update its infrastructure to accommodate tracking landlord-submitted certifications and at least one Planning and Development Specialist II position to support enforcement of the legislation. SDCI also expressed a need for resources and staff to support customers (via phone and email), outreach and education, IT maintenance and support, analysis and reporting, and administration and oversight. The cost of these additional supports is not yet clear.

The City department, such as SDCI or the Office of Planning and Community Development (OPCD), who will manage a contract with a third party to gather, analyze, and report on the rent roll data will likely require funding to enter into the contract, either in 2022 or 2023, or both.

OPCD discussions with the University of Washington estimated costs for a contract for this project to be a minimum of \$2 million, including \$600,000 for database setup, \$430,000 a year for staffing (\$1.29 million over three years), workspace rental, and overhead.

Central Staff will continue to discuss with City departments the level of resources and time needed to implement appropriate infrastructure and execute a contract.

Are there financial costs 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.

Yes. Not having sufficient information on rental stock and rental amounts can make it difficult to assess the state of the rental market and impacts on the housing inventory, including rent levels, vacancies, demolitions and related levels and locations of physical and economic displacement, if applicable. Failure to gather this information could result in a reduced capacity by the City to determine the impacts and mitigation options needed for the housing elements of the Growth Management Act (GMA)-required major update of the City Comprehensive Plan due in 2024 and subsequent Comprehensive Plan updates.

4. OTHER IMPLICATIONS

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

If so, please list the affected department(s) and the nature of the impact (financial, operational, etc.).

Yes. SDCI administers RRIO and will be responsible for tracking certifications and implementing the requirements of this ordinance. Either SDCI or another City department

such as OPCD would need to choose and contract with the research university that will conduct the data analysis.

The additional data to be collected could benefit several other departments in their analyses and policy proposals, including the Office of Housing (OH) and OPCD. OH works with SDCI to gather and analyze information regarding housing for purposes of informing policies and programs under the purview of OH. Similarly, OPCD could benefit from the rental and vacancy data to inform efforts associated with the City's Comprehensive Plan as well as programs crafted to prevent displacement.

b. Is a public hearing required for this legislation?

If yes, what public hearings have been held to date, and/or what public hearings are planned/required in the future?

No

c. 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

d. 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

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?

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. If any aspect of the legislation involves communication or outreach to the public, please describe the plan for communicating with non-English speakers.

Having research and analysis using data on the City's rental housing inventory could help to address systemic racism in housing by providing information to create policy that could mitigate disparate impacts of gentrification and displacement that can be caused by economic or zoning changes. These impacts 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?

Please provide a qualitative response, considering net impacts. Are there potential carbon emissions impacts of not implementing the proposed legislation? Discuss any potential intersections of carbon emissions impacts and race and social justice impacts, if not previously described in Section 4.e.

No

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.

Describe the potential climate resiliency impacts of implementing or not implementing the proposed legislation. Discuss any potential intersections of climate resiliency and race and social justice impacts, if not previously described in Section 4e.

No

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)?

This answer should highlight measurable outputs and outcomes.

NA

Summary Attachments:

None