

## **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 creating a new section 7.24.034 of 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 a fee for notices related to late payment of rent.

### **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?**

Full potential costs of outreach and enforcement by the Seattle Department of Construction and Inspections are not reflected here.

**Are there financial costs or other impacts of *not* implementing the legislation?**

To the extent that excessive late fees increase the likelihood of an eviction record, not implementing limits on late fees could increase the potential for tenants to lose housing or remain unhoused.

### **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 POTA group 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, 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, 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. Central Staff is in continuing conversations about if and how many resources or staff will be needed to address these issues.

**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 fees increase the likelihood of 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):**