

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
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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 tenant protections; establishing rent control provisions; regulating residential rent increases; establishing a Rent Control Commission and District Rent Control Boards to authorize rent control exemptions; establishing enforcement provisions; adding a new Chapter 7.28 to the Seattle Municipal Code; and amending Sections 3.06.030 and 22.214.040 of the Seattle Municipal Code.

Summary and Background of the Legislation: Currently, Washington State prohibits any regulation of the amount of rent that a landlord can charge. As such, rent control as described in this legislation would not yet be permitted in the City of Seattle. However, in the circumstance that this state level prohibition is repealed, this ordinance would go into effect, freezing rent increases between the time of the repeal and 18 months after. At that point, this ordinance would establish maximum annual rent increases that would apply to all rental housing, with several exceptions. Initial rents for new rental units that do not replace existing rental housing units would not be subject to the maximum. This ordinance would also establish a Rent Control Commission made up of District Rent Control Boards, who would hear petitions for exemption from the maximum annual rent increase. It would house enforcement and tracking of rental housing unit information with the Department of Construction and Inspections (SDCI).

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?

Yes – SDCI will need to stand up infrastructure to implement the requirements of this legislation and to enforce violations, and SDCI indicates it will require additional staffing and resources.

It is not yet clear whether the state will repeal the prohibition on rent control, and if they do, if they will be silent or legislate other controls on rent. As such, the scope of the legislation and when it will go into effect are undetermined. SDCI has indicated that until there is more

clarity around what it will actually be tasked with doing and the scale of implementation it will be responsible for, it is difficult to estimate the costs of implementing this legislation. However, SDCI indicates that setting up staffing and infrastructure for the rental registration and inspection program (RRIO) cost about \$5 million and took over two years to stand up. This legislation is more complex, and inflation, labor, consultant, and IT costs have increased since RRIO was put into place. In addition, staff and associated resources would likely be needed to support the Rent Control Commission and District Rent Control Boards. As such, it is likely that implementing this legislation will cost SDCI more than \$5 million, though the degree of increase cannot yet be estimated.

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

To the extent that continuing rising rent prices make housing less affordable, anyone displaced from housing due to high rent that becomes unstably housed might increase the number of people experiencing homelessness and potentially increase the City's cost of addressing homelessness.

4. OTHER IMPLICATIONS

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

Yes – SDCI will be implementing and enforcing this legislation. The Hearing Examiner would hear appeals from and be involved in enforcement. The City Attorney's Office would also have a role in enforcement as advisors to SDCI and for litigation of cases referred to the City Attorney's Office, depending on the volume of cases referred by SDCI.

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?

Instituting rent control could help tenants remain housed and mitigate impacts of eviction and housing instability that are often experienced disproportionately by Black, Indigenous, and other communities of color. However, if rent control impacts housing supply and decreases the number of units available for rental, the availability of affordable housing would likely also disproportionately impact 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):