

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE requiring the payment of economic displacement assistance to households that are vacating a housing unit in after receiving notice of a rent increase of ten percent or more and creating a new Chapter 22.212 in the Seattle Municipal Code.

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..body

WHEREAS, rent increases may cause many households to move due to inability to pay the higher rent; and

WHEREAS, rents in Seattle have been increasing rapidly and vacancies in affordable rental housing are at low levels, making it increasingly difficult for many households to locate rental housing; and

WHEREAS, before moving into a rental unit, landlords typically require that households pay some type of security deposit and other move-in fees; and

WHEREAS, these conditions in the rental market have created a relocation crisis, because many households do not have sufficient resources to save money to cover moving expenses; and

WHEREAS, providing economic displacement assistance to households who move following a rent increase of ten percent or more will help households obtain replacement housing and mitigate the impact of the rent increase on the relocation crisis; and

WHEREAS, the Council finds that this ordinance will protect and promote the health, safety, and welfare of the general public; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

1 Section 1. This ordinance is adopted pursuant to the City’s police power authority granted
2 by Article 11, section 11 of the Washington State Constitution, and not pursuant to RCW
3 59.18.440 or other law.

4 Section 2. A new Chapter 22.212, entitled “Economic Displacement Assistance – Rent
5 Increase,” is added to Title 22 of the Seattle Municipal Code as follows:

6 **Chapter 22.212 – ECONOMIC DISPLACEMENT ASSISTANCE – RENT**
7 **INCREASE**

8 **22.212.050 – Rules**

9 The Director is authorized to adopt such rules as are necessary to implement the
10 requirements of this Chapter and to carry out the duties of the Director hereunder.

11 **22.212.010 – Definitions**

12 For the purpose of this Chapter 22.212, the following words or phrases shall have the
13 meaning prescribed below unless the context clearly indicates otherwise. Terms that are not
14 defined in this Chapter 22.212 and are defined in Chapter 22.204 shall have the meaning given to
15 them in Chapter 22.204.

16 “Family household” means all occupants in the same housing unit who are members of
17 the same family unit.

18 “Family unit” means all related persons, including parents, spouses’ parents,
19 grandparents, spouses’ grandparents, grandchildren, spouses’ grandchildren, siblings, spouses’
20 siblings, children of siblings, spouses’, and siblings’ children and those similarly related to
21 domestic partners who occupy the same housing unit.

1 “Household” means any family household or non-family household that occupies a
2 housing unit. A combination of family households and non-family households may occupy a
3 single housing unit.

4 “Housing costs” has the same meaning prescribed by Section 7.24.020.

5 “Household representative” means a household member designated by the household as
6 the person representing the household in performing actions under this Chapter, and who is the
7 person that is legally entitled to obtain the payment authorized by this ordinance. A household
8 representative may represent only one household at a time.

9 “Member” means a person living alone or a person living in a family unit.

10 “Non-family household” means an occupant of a housing unit that is not a member of a
11 family household occupying the same housing unit.

12 “Required rent-increase notice” means the notice required by subsection 7.24.030.A,
13 which requires a minimum of 60 days' prior written notice whenever the periodic or monthly
14 housing costs to be charged a tenant are to increase by ten percent or more over the periodic or
15 monthly rental rate charged the same tenant for the same housing unit and same services for any
16 period or month during the preceding 12-month period.

17 **22.210.020 – Notice**

18 A. The Director shall prepare an informational notice describing how persons may obtain
19 information about the rights and obligations of tenants and landlords under this Chapter. The
20 Director shall place the notice on the Department’s web site and provide links to translated
21 versions of the notice in the five languages most commonly spoken in Seattle other than English,
22 as determined on an annual basis. The Director may include translations in other languages at the
23 Director’s discretion.

1 B. When an owner provides a tenant a required rent-increase notice, the owner shall
2 provide the tenant a copy of the notice described in 22.212.020.A. If requested, the Director shall
3 provide copies of the notice to owners at no cost.

4 C. All written notices required by this Chapter to be given to tenants by owners or to
5 owners by tenants shall be documented in such a manner as to confirm the date on which the
6 notice was received. A notice shall be deemed received if it is personally served or 3 days after
7 the notice is mailed first class.

8 **22.212.030 – Eligibility for economic displacement assistance**

9 A household is eligible for economic displacement assistance if:

10 A. A member of the household has received a required rent-increase notice; and

11 B. The household has vacated the housing unit or a member of the household has given
12 written notice to the owner of the date the household intends to vacate the housing unit.

13 **22.212.040 – Application for economic displacement assistance**

14 A. Within 180 days after receipt of a required rent-increase notice, a household
15 representative may apply to the Director for economic displacement assistance by submitting an
16 application to the Director on a form approved by the Director.

17 B. The application shall include:

18 1. an affidavit identifying the date the household representative's household
19 vacated the housing unit or a copy of the notice the household gave to the owner identifying the
20 date the household intends to vacate the housing unit;

21 2. a copy of the current rental agreement or, if the tenancy is not subject to a
22 written agreement or the household does not have a copy of it, proof of housing costs for the 12
23 months prior to the effective date of the required rent-increase notice;

- 1 3. A copy of the required rent-increase notice;
- 2 4. the names of all members occupying the housing unit;
- 3 5. the number of family and non-family households occupying the housing unit

4 and the names of all members of each household; and

5 C. Within 5 days of receiving the application, the Director shall notify the owner in
6 writing that an application for economic displacement assistance has been submitted.

7 D. The Director may ask the household representative to provide information that will
8 help the Director decide whether the household representative qualifies for economic
9 displacement assistance. The household representative is not entitled to economic displacement
10 assistance if the household representative fails to provide the requested information within 30
11 days after receiving the Director's request, unless the household representative requests and the
12 Director grants an extension of time to provide the requested information. The Director may
13 grant the request for an extension if the request is received by the Director before the expiration
14 of the 30-day period and if the Director determines that the household representative has good
15 cause for failing to provide the requested information within 30 days.

16 E. Within 10 days after the Director's receipt of a complete application, the Director shall
17 send to the household representative and the owner, by regular United States mail and certified
18 mail, a notice stating whether the household representative is entitled to economic displacement
19 assistance and identifying the amount of economic displacement assistance that is allowed.

20 F. If the household representative fails to submit a complete application within 180 days
21 after receipt of the required rent-increase notice, the household representative is not entitled to
22 economic displacement assistance unless the household representative requests and the Director
23 grants an extension of time to submit the application. The Director may grant the request for an

1 extension if the request is received by the Director before the expiration of the 180-day period
2 and if the Director determines that the household representative has good cause for failing to
3 apply within 180 days. The Director shall notify the household representative and the owner in
4 writing whether the extension has been approved or rejected. If the Director grants the request,
5 the household representative will have an additional 60 days in which to submit the application.

6 G. If at any time after the household representative submits an application to the Director
7 and before the Director pays economic displacement to the household representative, the
8 household rescinds its notice of vacation, the household representative must withdraw the
9 application for economic displacement assistance by notifying the Director immediately. If the
10 owner has already paid economic displacement assistance to the Director, the Director will
11 refund the amount paid by the owner within five days of withdrawal of the application.

12 **22.212.050 – Owner’s payment of economic displacement assistance to the Director**

13 Within seven days after receipt by the owner of the Director’s notice described in
14 22.212.040.E stating that the household representative is entitled to economic displacement
15 assistance, the owner shall pay to the Director the amount of assistance identified in the notice.
16 The owner may not reduce the amount of the assistance payment by any amount the owner
17 believes the tenant owes the owner, such as a security deposit for damage to the property for
18 which the tenant is responsible. Nothing in this chapter precludes the owner from seeking such
19 amounts from the tenant pursuant to RCW 59.18.280.

20 **22.212.060 – Payment of economic displacement assistance to the household representative**

21 The Director shall pay the household representative the assistance payment specified in
22 22.212.070 within five days after the owner is required to submit payment to the Director.
23 Economic displacement assistance payments received by household representatives under this

1 Chapter 22.212 shall not be considered as income or affect eligibility for the amount of any City
2 benefit program.

3 **22.212.070 – Calculation of economic displacement assistance payment**

4 The Director shall calculate the amount of economic displacement assistance to be
5 obtained by the household representative. To calculate this amount, the Director shall first
6 determine the average monthly housing cost for the housing unit. The average monthly housing
7 cost shall be based upon the housing costs incurred in the 12 consecutive months prior to the
8 effective date of the required rent-increase notice. Second, the Director will identify the number
9 of households that occupy the housing unit and divide the average monthly housing costs by the
10 number of households, resulting in the average monthly housing cost per household. Third, the
11 Director shall multiply the average monthly housing cost per household by three. The result is
12 the amount of payment that a household representative of each household applying for economic
13 displacement assistance may obtain.

14 **22.212.080 – Refunds**

15 A. If, after receiving an economic displacement assistance payment, the household does
16 not vacate the housing unit by the date identified on the written notice of vacation to the owner,
17 the household representative shall refund the payment to the City within ten days of that date.
18 Within ten days of receiving the refund from the household representative, the Director shall
19 refund to the owner the amount previously paid by the owner.

20 B. In the event the household representative fails to refund the assistance payment, the
21 City shall reimburse the owner for the full refund amount within ten days after the household
22 representative's failure to pay. The City may file a civil action against the household
23 representative to recover the amount of the refund that the City paid to the owner. The Director

1 shall notify the City Attorney of the name of the household representative and the City Attorney
2 may take action to collect the refund.

3 **22.212.090 – Administrative appeals**

4 A. Grounds for appeal

5 An owner or a household representative may appeal the Director’s decision approving or
6 denying the application for the economic displacement assistance payment, including the
7 Director’s calculation of the amount of economic displacement assistance required under
8 22.212.070.

9 B. A notice of appeal shall be filed with the Seattle Hearing Examiner within 10 days
10 after receipt of the Director’s decision or determination.

11 C. All notices of appeal shall be in writing, specifically describe the alleged errors in the
12 Director’s decision, and describe the relief sought.

13 D. The Hearing Examiner shall hold a hearing on the appeal pursuant to procedures
14 prescribed by the Hearing Examiner, subject to the procedures prescribed by this section. Notice
15 of the hearing shall be provided by the Hearing Examiner at least 10 days prior to the scheduled
16 hearing date to the household representative, the owner, and the Director.

17 E. A record shall be established at the hearing before the Hearing Examiner. Appeals
18 shall be considered de novo. The Director is not a necessary party to any Hearing Examiner
19 proceedings pursuant to this Section 22.212.090.

20 F. The Hearing Examiner shall issue a decision within 30 days of the date of the hearing.
21 The decision shall be final and conclusive. A copy of the decision shall be mailed or emailed to
22 the household representative, owner, Director, and all other persons requesting a copy of the
23 decision on the day the decision is issued.

1 **22.212.100 - Administration and enforcement**

2 A. The Director shall administer and enforce the provisions of this Chapter 22.212 and is
3 authorized to adopt rules and regulations to implement the Director's duties established by this
4 chapter.

5 B. Any failure to comply with the requirements of this Chapter 22.212 is a violation of
6 this Chapter.

7 C. Receipt of economic displacement assistance pursuant to this Chapter by a person not
8 entitled to such assistance because they intentionally misrepresented any material information
9 regarding entitlement to assistance is a violation of this Chapter.

10 **22.212.110 - Notice of violation**

11 If the Director determines that a violation of this Chapter 22.212 has occurred, the
12 Director may serve a notice of the violation upon the person responsible for the violation. The
13 notice may be served by personal service, registered mail, or certified mail, to the last known
14 address of the person responsible for the violation. The notice of violation shall identify the
15 violation of this chapter and what corrective action is necessary to comply with the requirements
16 of this chapter.

17 **22.212.120 - Violations and penalties**

18 A. In addition to any other sanction or remedial procedure that may be available, any
19 person violating any provision of this Chapter 22.212 is subject to a cumulative civil penalty in
20 the amount of \$1,000 per day for each day from the date the violation began until the
21 requirements of this Chapter 22.212 are satisfied. Additionally, if:

22 1. The violation resulted in a household representative not receiving economic
23 displacement assistance to which the household representative was entitled, the penalty shall be

1 increased by the amount of the economic displacement assistance that was required. The Director
2 shall pay the household representative the economic displacement assistance that was due.

3 2. The violation is for receipt of economic displacement assistance by a person
4 not entitled to such assistance because they intentionally misrepresented any material
5 information regarding entitlement to assistance, the penalty shall be increased by the amount of
6 economic displacement assistance the household representative received. The Director shall
7 refund the amount previously paid by the owner.

8 B. The penalty imposed by this Section 22.212.120 may be collected by civil action
9 brought in the name of the City. The Director shall notify the City Attorney of the name of any
10 person subject to the penalty and the City Attorney may take action to collect the penalty.

11 C. Any household representative or owner aggrieved by a violation of this Chapter
12 22.212 may institute a private action to enforce the obligations contained in this Chapter 22.212,
13 provided, that this subsection 22.212.120.C does not create any right of action against the City or
14 any City officer or employee for the failure to perform any duties imposed upon the City, its
15 officers or employees by this ordinance.

16 D. The provision of eviction assistance under this Chapter does not constitute compliance
17 with the relocation assistance requirements of Chapter 22.210. It is a violation of this Chapter to
18 increase in housing costs for the purpose of displacing tenants and avoiding payment of
19 relocation assistance pursuant to Chapter 22.210.

20 **22.212.130 – Computation of time**

21 When the last day of any period specified in this Chapter 22.212 is a Saturday, Sunday,
22 or federal or City holiday, the period shall run through the next day that is not a Saturday,
23 Sunday, or federal or City holiday.

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1 Section 3. Sections 1 and 2 of this ordinance shall take effect and be in force 90 days
2 after the effective date of this ordinance.

3 Section 4. This ordinance shall take effect and be in force 30 days after its approval by
4 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
5 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

6 Passed by the City Council the _____ day of _____, 2021,
7 and signed by me in open session in authentication of its passage this _____ day of
8 _____, 2019.

9 _____
10 President _____ of the City Council

11 Approved by me this _____ day of _____, 2021.
12 _____

13 Jenny A. Durkan, Mayor

14 Filed by me this _____ day of _____, 2021.
15 _____

16 Monica Martinez Simmons, City Clerk

17 (Seal)