# **Clarifying TRAO Requirements for Units** with Expiring Affordability Restrictions





Sustainability and Renters Rights Committee Geoff Tallent & Maureen Roat, SDCI | September 23, 2021

# SDCI PURPOSE AND VALUES

#### **Our Purpose**

Helping people build a safe, livable, and inclusive Seattle.

#### **Our Values**

- Equity
- Respect
- Quality
- Integrity
- Service

#### BACKGROUND

- Tenant Relocation Assistance Ordinance (TRAO) provides financial assistance to tenants with household incomes at or below 50% AMI when they are displaced from their rental units because of development, a change in use, or the *lifting of rent restrictions*.
- Applicability of TRAO to the lifting of rent or income restrictions is a longstanding feature of the City and State law, however very few properties have triggered this requirement in the past.
- Beginning in late 2021 we expect to see a growing number of expiring affordability requirements in Seattle.
- **Today:** SDCI and OH are seeking to clarify the applicability and process for TRAO in Title 22 SMC for these properties

## BACKGROUND

- TRAO Eligibility (2021): \$57,800 annual income for a family of 4
- TRAO Payment (2021): \$4,232 per household
- Number of TRAO payments annually: 172 households (average)
- 5-Year Projection of expiring units with affordability provisions

	Expiring Affordable	Estimated Households Eligible for
Year	Units	TRAO
2021	165	33
2022	185	37
2023	143	29
2024	343	69
2025	405	81



#### PROPOSED CODE CHANGES

- Clarifications
  - TRAO applies to all properties where rent or income restrictions are lifted (that are not otherwise going through a comparable relocation process under federal or other laws)
  - Renters get early notice of the upcoming lifting of rent or income restrictions
  - Low-income renters who choose to move are eligible for relocation assistance
  - Low-income renters may receive the relocation assistance up to six months after the rent or income restriction ends
  - Rent increases are not allowed until TRAO is completed
- Definitions updating definitions to reflect the clarifications and consistency with other laws.
- Technical Edits standardizing the ordinance with current drafting conventions.

### IMPACT OF CHANGES ON RENTERS & LANDLORDS

Requirements and process will be clearer to all

Firms up longstanding TRAO intent

- Renters in rent or income restricted properties will get advance notice of the lifting of the restrictions
- Eligible low-income households will receive relocation assistance if they choose to move
- Landlords with expiring affordability provisions will be required to get a TRAO license prior to the removal of the rent or income restriction
  - Will affect very few landlords all of which are larger housing providers
  - Under the state law, the City pays half of the relocation assistance, and the other half is paid by the property owner.

# IMPLEMENTATION

- Can be folded into existing work of the *Renting in* Seattle program, Property Owner & Tenant Assistance group, and Office of Housing
  - Information will be emailed to 19,000 RRIO-registered landlords
  - Information will be updated on Renting in Seattle, and SDCI websites and integrated into future landlord training curriculum
  - Office of Housing will educate property owners especially those using incentive programs – about TRAO obligations as part of existing trainings and support.
- No additional staffing or resources are being requested at this time – SDCI views this as part of the existing TRAO program



#### **QUESTIONS & RESOURCES**

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