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Director's Rule 7-2019

Applicant: City of Seattle Department of Construction and Inspections	Page 1 of 3	Supersedes: DR 8-2018
	Publication: March 7, 2019	Effective: April 1, 2019
Subject: Adjustment to the Amount of Emergency Relocation Assistance Payment Under the Housing and Building Maintenance Code	Code and Section Reference: SMC Section 22.206.260.F.1	
	Type of Rule: Code Interpretation	
	Ordinance Authority: SMC Section 3.06.040	
Index: Housing and Building Maintenance Code SMC Chapter 22.206	Approved	Date
	(signature on file) Nathan Torgelson, Director	3-27-19

PURPOSE

The purpose of this rule is to implement an annual adjustment of the amount of relocation assistance, as provided for in SMC Section 22.206.260 F.2., by the percentage amount of change in the housing component of the Consumer Price Index as published by the United States Department of Labor, Bureau of Labor Statistics.

BACKGROUND

The Housing and Building Maintenance Code, Seattle Municipal Code Chapter 22.206 et seq., provides for the payment of relocation assistance to tenant households displaced by an Emergency Order to Vacate and Close. The Emergency Relocation Assistance Ordinance that authorized this payment took effect on March 26, 2003.

Subsection F.2. of SMC Section 22.206.260, "Emergency Order," provides as follows:

The amount of relocation assistance to be paid pursuant to subsection F1 of SMC Section 22.206.260 to a tenant household with income during the preceding twelve (12) months at or below fifty percent (50%) of the median family income may be adjusted annually by the percentage change in the housing component of the Consumer Price Index for All Urban Consumers (CPI-U) for the Seattle–Bellevue–Everett Primary Metropolitan Statistical Area as published by the United States Department of Labor, Bureau of Labor Statistics. Such adjustments are authorized to be made by Director’s Rule.

The amount of relocation assistance to be paid to low income tenant households was last adjusted in 2018 by Director’s Rule 10-2018. The total amount to be paid was increased from \$4,331.00 to \$4,556.00.

This rule is necessary to adjust the amount of relocation assistance payments to reflect the increased costs more clearly that must be sustained by low income tenants to relocate because of emergency conditions beyond their control.

METHODOLOGY

The Bureau of Labor Statistics did not previously publish a consumer price index for the Seattle–Bellevue–Everett Primary Metropolitan Statistical Area. Hence, an alternative was used. The alternative selected in years past was the Seattle-Tacoma-Everett Metropolitan Statistical Area. This area included Island, King, Kitsap, Pierce, Snohomish, and Thurston Counties. In January 2018 the Bureau of Labor Statistics introduced a new geographic sample for the CPI. The area formerly known as Seattle-Bremerton-Tacoma Metropolitan Statistical Area was changed to Seattle-Tacoma-Bellevue and includes King, Pierce and Snohomish Counties.

The Bureau publishes two (2) consumer price indices, one for All Urban Consumers (CPI-U) and one for Urban Wage Earners and Clerical Workers (CPI-W).

For this rule, the index for All Urban Consumers was selected to determine the appropriate adjustment in the amount of relocation assistance, because it is used to adjust the amount of relocation assistance paid pursuant to the Tenant Relocation Assistance Ordinance (SMC Chapter 22.220) and because it covers a much broader segment of the population, ninety-four percent (94%) versus twenty-eight (28%). In addition to wage earners and clerical workers, the CPI-U includes groups such as managerial, professional, and technical workers, self-employed and short-term workers, unemployed persons, and retirees and others not in the labor force.

The Housing Component of the CPI-U in the Seattle-Tacoma-Bellevue Metropolitan Statistical Area changed by 3.9% in 2018. Adjusting the amount of relocation assistance by 3.9% yields an amount of \$4733.68. Rounding to the nearest dollar yields \$4,734.00.

RULE

The amount of relocation assistance required by subsection F.1 of Seattle Municipal Code Section 22.206.260 shall be \$4734.00. This amount shall apply to all emergency orders to vacate and close issued on or after April 1, 2019.