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Director's Rule 7-2020

Applicant: City of Seattle Department of Construction and Inspections	Page 1 of 2	Supersedes: DR 6-2019
	Publication: 4/20/2020	Effective: 5/18/2020
Subject: Adjustment to the Amount of Relocation Assistance Payment Under the Tenant Relocation Assistance Ordinance	Code and Section Reference: SMC Section 22.210.130.A	
	Type of Rule: Code Interpretation	
	Ordinance Authority: SMC Section 3.06.040	
Index: Tenant Relocation Assistance Ordinance SMC Chapter 22.210	Approved	Date
	(signature on file) Nathan Torgelson, Director	May 15, 2020

PURPOSE

The purpose of this rule is to adjust the amount of relocation assistance required in SMC Section 22.210.130.A. 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 Tenant Relocation Assistance Ordinance, Seattle Municipal Code 22.210 et seq., requires advance notice to all tenants who will be displaced by demolition, substantial rehabilitation, change of use, or removal of use restrictions from housing units, and for the payment of

relocation assistance to eligible low-income tenant households. The Ordinance took effect on July 2, 1990.

Subsection A of SMC Section 22.210.130, “Relocation Assistance Payments,” provides as follows:

...The amount of relocation assistance shall be adjusted annually 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. Such adjustments shall be published in a Director’s rule.

The amount of relocation assistance was last adjusted in 2019 by Director’s Rule 6-2019. The total amount to be paid was increased from \$3848.00 to \$3998.00. This rule is necessary to comply with the requirement to adjust annually the amount of relocation assistance payment.

METHODOLOGY

The Bureau of Labor Statistics publishes two Consumer Price Indices, one for All Urban Consumers (CPI-U) and one for Urban Wage Earners and Clerical Workers (CPI-W). The index for All Urban Consumers has been selected for the purpose of adjusting the amount of relocation assistance, because it covers a much broader segment of the population: eighty percent (94%) versus thirty-two percent (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 for the Seattle-Tacoma-Bellevue Metropolitan Statistical Area changed by 4.3% in 2019. 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. Adjusting the amount of relocation assistance by 4.3% yields an amount of \$4,169.91. Rounding to the nearest dollar yields \$4,170.

The amount of relocation assistance required by subsection A of SMC 22.210.130 shall be \$4,170.. This amount shall apply to all Tenant Relocation License applications that are submitted on or after May 16, 2020.