

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

..title

AN ORDINANCE requiring the payment of economic displacement assistance to low-income households that have received notice of a rent increase of ten percent or more over the preceding 12 months, and creating a new Chapter 22.212 in the Seattle Municipal Code.

..body

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

WHEREAS, rents in Seattle have been increasing rapidly and vacancies in rental housing are at low levels, making it increasingly difficult for low-income 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 households, especially low-income households, do not have sufficient resources to save money to cover moving expenses; and

WHEREAS, providing economic displacement assistance to low-income households who move following a rent increase of ten percent or more (measured over the preceding 12 months) 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,

1 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

2 Section 1. This ordinance is adopted pursuant to the City’s police power authority granted
3 by Article 11, section 11 of the Washington State Constitution, and not pursuant to RCW
4 59.18.440 or other law.

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

7 **Chapter 22.212 – ECONOMIC DISPLACEMENT ASSISTANCE – RENT 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 a housing unit who are members of the same
17 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 share housing costs.

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 member of a household who has been designated by
6 the household as the person to represent the household in performing actions under this Chapter,
7 and the person who is legally entitled to obtain the relocation payment authorized by this
8 ordinance.

9 “Housing unit” means any dwelling unit, housekeeping unit, guest room, dormitory
10 room, or single room occupancy unit.

11 "Low-income household" means a household whose income during the past 12 months is
12 at or below 80 percent of the median income, adjusted for household size, as published by the
13 United States Department of Housing and Urban Development (HUD) for the Bellevue-Seattle
14 Metro Fair Market Rent Area HUD Section 8 Program.

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

16 “Non-family household” means a person living alone or who shares a housing unit
17 exclusively with persons to whom he or she is not related.

18 “Rental agreement” means an agreement, oral or written, related to the use and
19 occupancy of a building, housing unit, structure, or premise.

20 “Required rent-increase notice” means the notice required by subsection 7.24.030.A.

21 “Tenant” means a person occupying or holding possession of a building, housing unit,
22 structure, or premise, pursuant to a rental agreement.

23 **22.212.020 – Documentation of notices**

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

5 **22.212.030 - Notice of housing costs increase**

6 At the time an owner provides a tenant a required rent-increase notice, the owner shall also
7 provide the tenant notice that describes how the tenant may obtain information about the rights
8 and obligations of tenants and landlords under this Chapter. The owner shall make a good faith
9 effort to provide that notice in a language accessible to the tenants.

10 **22.212.040 –Household’s notice of vacation or intent to vacate**

11 A household whose household representative applies for economic displacement assistance
12 under this chapter must have vacated the housing unit, or given written notice to the owner of the
13 date the household intends to vacate the housing unit, before submitting an application for
14 economic displacement assistance. A household may withdraw a notice to vacate up to 20 days
15 prior to the date set for vacation in the notice if the tenant has not yet received a relocation
16 assistance payment. Withdrawal of a notice of intent to vacate does not prevent an owner from
17 exercising all rights and remedies the property owner may have under law or equity.

18 **22.212.050 – Application for economic displacement assistance**

19 A. Within 180 days after receipt of a required rent-increase notice, a household
20 representative may apply to the Director for economic displacement assistance by submitting an
21 application on a form approved by the Director. The application shall include: a copy of the
22 household’s notice to the owner of the date the household intends to vacate the housing unit or
23 documentation that the household has vacated, and a copy of the current rental agreement or, if the

1 tenancy is not subject to a written agreement or the household does not have a copy of it, proof of
2 current housing costs. The Director shall notify the owner in writing that an application has been
3 submitted.

4 B. If the household representative fails to submit the application within 180 days after
5 receipt of the required rent-increase notice, the household representative shall not be entitled to
6 economic displacement assistance unless the household representative requests and the Director
7 grants an extension of time to submit the application. The Director may grant the request for an
8 extension if the request is received by the Director before the expiration of the 180-day period and
9 if the Director determines that the household has good cause for failing to apply within 180 days.
10 The Director shall notify the household representative and the owner in writing whether the
11 extension has been approved or rejected. If the Director grants the request, the household
12 representative will have 60 days after receipt of the required rent-increase notice in which to submit
13 the application.

14 C. The Director may ask the household representative to provide information that will
15 help the Director decide whether the household qualifies for economic displacement assistance.
16 The household representative shall not be entitled to economic displacement assistance under this
17 Chapter 22.212 if the household representative fails to provide the requested information within
18 30 days after receiving the Director's request. The household representative may request an
19 extension of time to provide the requested information. The Director may grant the request for an
20 extension if the request is received by the Director before the expiration of the 30-day period and
21 if the Director determines that the household has good cause for failing to provide the requested
22 information within 30 days.

1 D. The Director shall approve an application if it is submitted consistent with
2 subsections 22.212.040.A through C and if the Director determines that the household is a low-
3 income household that, after receiving a required rent-increase notice, either vacated a housing
4 unit or provided written notice to the owner of the household's intent to vacate.

5 E. Within 10 days after the Director's receipt of a complete application, the Director
6 shall send to the household representative and the owner, by regular United States mail and
7 certified mail, a notice stating whether the application is approved or denied.

8 **22.212.060 – Who may apply for and is entitled to economic displacement assistance**

9 Each household that is a party to the rental agreement may apply for economic
10 displacement assistance. The household representative for each family household and non-
11 family household living in a housing unit may apply for economic displacement assistance. A
12 household representative is entitled to economic displacement assistance if the Director
13 determines the household is a low-income household that, after receiving a required rent-increase
14 notice, either vacated a housing unit or provided written notice to the owner of the household's
15 intent to vacate.

16 **22.212.070 – Owner's payment of economic displacement assistance to the Director.**

17 A. Within 7 days after receipt by the owner of the Director's notice that the Director
18 has approved an application for economic displacement assistance, the owner shall pay to the
19 Director:

20 1. If housing costs are paid monthly, three times: the amount of one month of
21 housing costs paid for the unit since the time of the last housing cost increase divided by the number
22 of households who are a party to the rental agreement; or

1 2. If housing costs are paid on a periodic basis other than monthly, three times:
2 a 31-day pro rata portion of the periodic housing costs paid for the unit since the time of the last
3 housing costs increase divided by the number of households who are a party to the rental agreement.

4 B. The owner may not reduce the amount of the assistance payment by any amount
5 the owner believes the tenant owes the owner, such as a damage or security deposit for damage to
6 the property for which the tenant is responsible. Nothing in this chapter shall preclude the owner
7 proceeding against a tenant pursuant to RCW 59.18.280.

8 **22.212.080 – Payment of economic displacement assistance to the tenant; refunds.**

9 A. The Director shall pay the household representative an economic displacement
10 assistance payment in the amount specified in Section 22.212.070 5 days after the owner has
11 submitted payment to the Director.

12 B. A household representative shall refund the payment to the owner or the Director under
13 the following circumstances:

14 1. If the household does not vacate the housing unit by the date provided on a
15 notice of intent to vacate provided to the owner, the household representative shall refund the
16 payment to the owner or the Director within 10 days after the date set for vacation on the notice of
17 intent to vacate.

18 2. If the Director approves the household representative's application for
19 economic displacement assistance and on appeal the Hearing Examiner issues a decision that the
20 household representative is not entitled to economic displacement assistance, the household
21 representative shall refund the payment to the owner or the Director within 10 days after the date
22 the Hearing Examiner issues his or her decision.

1 C. If the household representative refunds the payment to the Director pursuant to this
2 Section 22.212.080.B, the Director shall refund any payment made by the owner within 10 days
3 after receiving the refund from the household representative.

4 D. Economic displacement assistance payments received by household representatives
5 under this Chapter 22.212 shall not be considered as income or affect eligibility for the amount of
6 any City benefit program.

7 **22.212.090 - Administrative appeals**

8 A. An owner may appeal the Director's decision that a household occupying a housing unit
9 owned by the owner is entitled to an economic displacement assistance payment. A household
10 representative may appeal the Director's decision that the household is not entitled to an economic
11 displacement assistance payment.

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

14 C. All notices of appeal shall be in writing, specifically describe the alleged errors in the
15 Director's decision, and describe the relief sought.

16 D. Notice of the hearing shall be provided by the Hearing Examiner at least 10 days prior
17 to the scheduled hearing date to the household, the owner, and the Director.

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

21 F. The Hearing Examiner shall provide the household representative, owner, and Director
22 a copy of the Hearing Examiner's final decision on the day it is issued.

1 G. The Hearing Examiner shall issue a decision within 30 days of the date of the hearing.
2 The decision shall be final and conclusive. A copy of the decision shall be mailed or emailed to
3 the household representative, property owner, Director, and all others requesting a copy of the
4 decision.

5 H. An increase in housing costs shall be delayed until the Hearing Examiner has issued
6 a decision on the appeal.

7 **22.212.100 - Administration and enforcement**

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

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

13 C. Receipt of economic displacement assistance pursuant to this Chapter by a person not
14 entitled to such assistance because he or she intentionally misrepresented any material information
15 regarding income or entitlement to assistance is a violation of this Chapter.

16 **22.212.110 - Notice of violation**

17 If after investigation the Director determines that a violation of this Chapter 22.212 has
18 occurred or exists, the Director may have a notice of violation served upon the person responsible
19 for the violation. The notice may be served by personal service, registered mail, or certified mail,
20 to the last known address of the person responsible for the violation. The notice of violation shall
21 identify the violation of this chapter and what corrective action is necessary to comply.

22 **22.212.120 - Violations and penalties**

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

5 1. The violation resulted in a household that would have been entitled to
6 economic displacement assistance not receiving it, the penalty shall be increased by the amount of
7 the economic displacement assistance that should have been paid and the Director shall provide
8 the amount that should have been paid to the household representative; or

9 2. The violation is for receipt of economic displacement assistance by a person
10 not entitled to such assistance because he or she intentionally misrepresented any material
11 information regarding income or entitlement to assistance, the penalty shall be increased by the
12 amount of economic displacement assistance the household received.

13 B. The penalty imposed by this Section 22.212.120 shall be collected by civil action
14 brought in the name of the City. The Director shall notify the City Attorney of the name of any
15 person subject to the penalty, and the City Attorney shall, with the assistance of the Director, take
16 appropriate action to collect the penalty.

17 C. Any household representative or owner aggrieved by a violation of this Chapter
18 22.212 may institute a private action to enforce the obligations contained in this Chapter 22.212,
19 provided, that this subsection 22.212.120.C does not create any right of action against the City or
20 any City officer or employee for the failure to perform any duties imposed upon the City, its
21 officers or employees by this ordinance.

1 D. Provision of eviction assistance must not be used to avoid payments required under
2 the tenant relocation provisions of SMC Chapter 22.210. An increase in housing costs made for
3 the purpose of avoiding SMC Chapter 22.210 is a violation of that Chapter.

4 **22.212.130 – Computation of time**

5 When the last day of any period specified in this Chapter 22.212 is a Saturday, Sunday, or
6 federal or City holiday, the period shall run through the next day that is not a Saturday, Sunday, or
7 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 60 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 _____, 2017,
7 and signed by me in open session in authentication of its passage this _____ day of
8 _____, 2017.

9 _____
10 President _____ of the City Council

11 Approved by me this _____ day of _____, 2017.

12 _____
13 Mayor

14 Filed by me this _____ day of _____, 2017.

15 _____
16 Monica Martinez Simmons, City Clerk

17 (Seal)