DPD Director's Rule 16-2015

Applicant: City of Seattle Department of Planning & Development	**Page** 1 of 3	**Supersedes:** DR 16-2006
	Publication: June 25, 2015	**Effective:** August 1, 2015
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** _____ Diane M. Sugimura, Director	

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 2006 by Director's Rule 16-2006. The total amount to be paid was increased from $3,069.00 to $3,321.00.

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

METHODOLOGY

The Bureau of Labor Statistics does not publish a consumer price index for the Seattle—Bellevue—Everett Primary Metropolitan Statistical Area. Hence, an alternative must be used.

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, eighty percent (80%) versus thirty-two percent (32%). 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 all U.S. cities changed by the following amounts for the years 2006 through 2014.

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
Change in CPI-U	+3.8	+3.1	+3.2	+0.40	-0.40	+1.3	+1.6	+2.1	+2.6

The total adjustment per year, rounded to the nearest dollar, starting with the current emergency relocation assistance amount of $3,321.00, using the CPI-U percentages shown above, is as follows:

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014
Percentage Change	+3.8	+3.1	+3.2	+0.40	-0.40	+1.3	+1.6	+2.1	+2.6
Dollar Adjustment	$126	$107	$114	$15	-$15	$48	$60	$79	$100
New Base	$3,447	$3,554	$3,668	$3,683	$3,668	$3,716	$3,776	$3,855	$3,955

Adjusting the current about of emergency relocation assistance ($3,321.00) by the CPI-U increase or decrease in the years 2006 through 2014 yields $3,955.00 rounded to the nearest dollar.

RULE

The amount of relocation assistance required by subsection F1 of Seattle Municipal Code Section 22.206.260 shall be $3,955.00. This amount shall apply to all emergency orders to vacate and close issued on or after August 1, 2015.