



# SEATTLE CITY COUNCIL

## Legislative Summary

CB 118404

Record No.: CB 118404

Type: Ordinance (Ord)

Status: Passed

Version: 2

127861

In Control: City Clerk

File Created: 05/19/2015

Final Action: 09/29/2015

**Title:** AN ORDINANCE requiring owners of certain low-income housing to notify the Office of Housing and the Seattle Housing Authority of the owner's proposed sale of that housing; establishing penalties; and adding a new Chapter 22.907 to the Seattle Municipal Code.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Burgess, Okamoto

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: patrick.wigren@seattle.gov

Filing Requirements/Dept Action:

### History of Legislative File

Legal Notice Published:

Yes

No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Council President's Office	05/20/2015	sent for review	Committee on Housing Affordability, Human Services, and Economic Resiliency			
	<b>Action Text:</b> The Council Bill (CB) was sent for review. to the Committee on Housing Affordability, Human Services, and Economic Resiliency						
	<b>Notes:</b>						
1	Full Council	05/26/2015	referred	Committee on Housing Affordability, Human Services, and Economic Resiliency			
	<b>Action Text:</b> The Council Bill (CB) was referred. to the Committee on Housing Affordability, Human Services, and Economic Resiliency						
	<b>Notes:</b>						

- 1 Committee on Housing 06/04/2015  
Affordability, Human  
Services, and Economic  
Resiliency  
Notes: The Committee only discussed the item.
- 1 Committee on Housing 09/17/2015  
Affordability, Human  
Services, and Economic  
Resiliency
- 1 Committee on Housing 09/17/2015 pass as amended Pass  
Affordability, Human  
Services, and Economic  
Resiliency  
Action Text: The Committee recommends that Full Council pass as amended the Council Bill (CB).  
In Favor: 5 Chair Okamoto, Member Sawant, Alternate O'Brien, Burgess, Licata  
Opposed: 0
- 1 Full Council 09/21/2015 passed Pass  
Action Text: The Council Bill (CB) was passed by the following vote and the President signed the Bill:  
Notes:  
In Favor: 9 Councilmember Bagshaw, Council President Burgess, Councilmember  
Godden, Councilmember Harrell, Councilmember Licata, Councilmember  
O'Brien, Councilmember Okamoto, Councilmember Rasmussen,  
Councilmember Sawant  
Opposed: 0
- 2 City Clerk 09/22/2015 submitted for Mayor  
Mayor's signature  
Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor  
Notes:
- 2 Mayor 09/29/2015 Signed  
Action Text: The Council Bill (CB) was Signed.  
Notes:
- 2 Mayor 09/29/2015 returned City Clerk  
Action Text: The Council Bill (CB) was returned. to the City Clerk  
Notes:
- 2 City Clerk 09/29/2015 attested by City  
Clerk  
Action Text: The Ordinance (Ord) was attested by City Clerk.  
Notes:

**CITY OF SEATTLE**  
**ORDINANCE** 124861  
**COUNCIL BILL** 118404

AN ORDINANCE requiring owners of certain low-income housing to notify the Office of Housing and the Seattle Housing Authority of the owner's proposed sale of that housing; establishing penalties; and adding a new Chapter 22.907 to the Seattle Municipal Code.

WHEREAS, The City of Seattle (City) is experiencing significant economic growth that is fueling job creation and population growth that is leading to a shortage of rental housing affordable to households with income under 80 percent of area median income (AMI); and

WHEREAS, existing multifamily buildings provide affordable housing options for households at or below 80 percent of AMI; and

WHEREAS, because of the economic growth, Seattle is becoming a very attractive market for investors desiring to purchase existing, affordable multifamily buildings; and

WHEREAS, the purchase of existing affordable multifamily buildings by new owners can result in rent increases due to the purchase and related property upgrades that may accompany such purchases; and

WHEREAS, the City's Office of Housing may purchase or work with housing developers to purchase existing buildings in order to preserve affordable housing units; and

WHEREAS, providing advance notice of an owner's desire to sell an existing, affordable multifamily building gives the City time to evaluate and prepare a potential purchase and sale offer for such a building; NOW, THEREFORE,

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

2 Section 1. A new Chapter 22.907 is added to the Seattle Municipal Code as follows:

3 **22.907 Sale of Low-Income Housing**

4 **22.907.030 Notice of proposed sale of low-income housing**

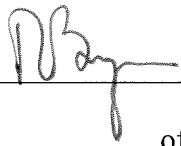
5 Owners of a multifamily rental housing building having five or more housing units , any  
6 one of which rents for an amount that is affordable to households at or below 80 percent of area  
7 median income, as median income was most recently determined by the United States  
8 Department of Housing and Urban Development for the Seattle metropolitan statistical area, as  
9 adjusted for household size, shall notify the Office of Housing and the Seattle Housing Authority  
10 of the owner's intent to sell the building. The notice shall be in writing and include the owner's  
11 name, phone number, and the address of the rental housing building that will be listed for sale.  
12 The notice shall be mailed no later than 60 days prior to the building being listed with any real  
13 estate listing service or advertised for sale either in a printed newspaper or on website. For the  
14 purposes of this Section 22.907.030, a building is "listed" when an owner has signed a listing  
15 agreement with a real estate agent. Owners of a multifamily rental housing building having five  
16 or more housing units who are otherwise required by law or agreement to notify the Office of  
17 Housing of the owner's intent to sell or transfer the building and who have provided such notice  
18 are exempt from the notice requirement prescribed by this Section 22.907.030.

19 **22.907.100 Penalties**

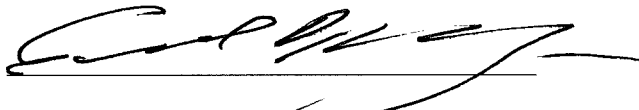
20 The Director of the Department of Planning and Development may impose a civil penalty  
21 in an amount up to but no more than \$500.00 on any person who fails to notify the Office of  
22 Housing of the owner's intent to sell as required by Section 22.907.030.

1 Section 2. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

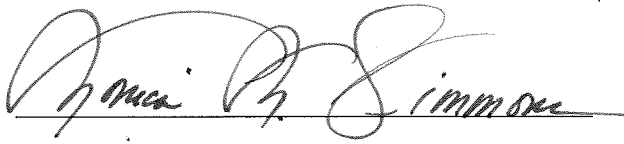
4 Passed by the City Council the 21<sup>st</sup> day of September, 2015, and  
5 signed by me in open session in authentication of its passage this  
6 21<sup>st</sup> day of September, 2015.

7  
8   
9 President \_\_\_\_\_ of the City Council

10  
11 Approved by me this 29<sup>th</sup> day of September, 2015.

12  
13   
14 Edward B. Murray, Mayor

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16 Filed by me this 29<sup>th</sup> day of September, 2015.

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18   
19 Monica Martinez Simmons, City Clerk

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21  
22 (Seal)  
23

Traci Ratzliff  
LEG Notice of Intent to Sell SUM  
May 28, 2015  
#D2

**BILL SUMMARY & FISCAL NOTE**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>Executive Contact/Phone:</b>
Legislative Department	Traci Ratzliff 684-8153	Lisa Mueller 684-5339

**1. BILL SUMMARY**

**Legislation Title:**

AN ORDINANCE requiring owners of certain low-income housing to notify the City of Seattle Office of Housing and the Seattle Housing Authority of the owner’s proposed sale of that housing and adding a new chapter 22.906 to the Seattle Municipal Code.

**Summary and background of the Legislation:**

Owners of multifamily rental housing with five or more housing units with rents that are affordable to households at or below 80% of area median income are required to provide notice to the City’s Office of Housing and the Seattle Housing Authority (SHA) of the owner’s intent to sell the property. Notice must be given 15 days prior to a property being listed with a real estate listing service or advertised for sale either in a printed newspaper or on an internet site such as commercialmls.com. Notice must be in writing and include the owner’s name, phone number and address of the rental housing building that will be listed for sell. Owners of a multifamily rental housing building having five or more housing units who are required by law or agreement to notify the City of Seattle Office of Housing of the owner’s intent to sell or transfer the building and have provided such notice are exempt from the notice requirements included in this ordinance.

Currently, there are no notice requirements for an owner of affordable multifamily housing who desires to sell the multi-family housing building; however, some owners of affordable housing that have used City, State, or Federal funding to develop such housing may be required to provide notice to the City of the owner’s intent to sell or transfer property.

Requiring owners of affordable rental housing to provide a notice to the City and SHA prior to an owner formally listing a property for sale, provides the City or SHA the opportunity to evaluate and potentially prepare a purchase and sale offer in an effort to preserve the affordable housing.

The ability of the City or SHA to make offers to purchase buildings will be limited due to funding constraints. The Housing Affordability and Livability Committee is considering possible new funding sources, as well as programmatic efforts to preserve existing affordable housing -- that could be used in concert with the notice requirement included in this legislation. Action on such recommendations and a fuller fleshing out of a preservation program and the full staffing implication of such a program is unlikely to occur until the third or fourth quarter of 2015. Therefore, funding for a potential staff person for the work associated with this legislation

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is included for 2016 and is a preliminary figure.

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**2. CAPITAL IMPROVEMENT PROGRAM**

**This legislation creates, funds, or amends a CIP Project.**

(If box is checked, please attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page.)

**Project Name: Project I.D.: Project Location: Start Date: End Date: Total Cost:**

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**3. SUMMARY OF FINANCIAL IMPLICATIONS**

Please check one:

**This legislation has direct financial implications.** (If the legislation has direct fiscal impacts (appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" section.)

**This legislation does not have direct financial implications.**  
 (Please skip to "Other Implications" section at the end of the document and answer questions a-i.)

<b>Budget program(s) affected:</b>				
<b>Estimated \$ Appropriation change:</b>	<b>General Fund \$</b>		<b>Other \$</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
	\$51,120			
<b>Estimated \$ Revenue change:</b>	<b>Revenue to General Fund</b>		<b>Revenue to Other Funds</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
<b>Positions affected:</b>	<b>No. of Positions</b>		<b>Total FTE Change</b>	
	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>
		.5		
<b>Other departments affected:</b>				

**3.a. Appropriations**

**This legislation adds, changes, or deletes appropriations.**

(If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues)

<b>Fund Name and number</b>	<b>Dept</b>	<b>Budget Control Level Name/#*</b>	<b>2015 Appropriation Change</b>	<b>2016 Estimated Appropriation Change</b>
<b>TOTAL</b>				

\*See budget book to obtain the appropriate Budget Control Level for your department.

(This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this



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ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not complete supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.)

Appropriations Notes:

**3.b. Revenues/Reimbursements**

**This legislation adds, changes, or deletes revenues or reimbursements.**

(If this box is checked, please complete this section. If this box is not checked, please proceed to Positions)

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Dept	Revenue Source	2015 Revenue	2016 Estimated Revenue
<b>TOTAL</b>				

(This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Do the revenue sources have match requirements? If so, what are they?)

Revenue/Reimbursement Notes:

**3.c. Positions**

**This legislation adds, changes, or deletes positions.**

(If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications)

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2015 Positions	2015 FTE	Does it sunset? (If yes, explain below in Position Notes)
<b>TOTAL</b>							

\* List each position separately

(This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.)

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Position Notes:

**4. OTHER IMPLICATIONS**

- a) **Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?** City could have more opportunities to purchase affordable housing projects but there limited financial resources available to do so.
- b) **Is there financial cost or other impacts of not implementing the legislation?**  
(Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.) N/A
- c) **Does this legislation affect any departments besides the originating department?**  
(If so, please list the affected department(s), the nature of the impact (financial, operational, etc), and indicate which staff members in the other department(s) are aware of the proposed legislation.)
- d) **Is a public hearing required for this legislation?** N/A  
(If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned for the future?)
- e) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** N/A  
(For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.)
- f) **Does this legislation affect a piece of property?** N/A  
(If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.)
- g) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**  
Only to the extent that vulnerable or historically disadvantaged individuals reside in affordable housing projects owned by private owners that could be preserved as a result of this notice requirement and the City's or SHA's ability to facilitate purchase of the buildings. It is unknown the income level or ethnicity/race of those living in these private market projects.
- h) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.** Possible outcomes would include: # of housing projects with units at or below 80% of Area Median Income (AMI) purchased via this notice requirement; # of housing units affordable at or below 80% of AMI purchased and preserved via this notice requirement. All of this is contingent on availability of funding to facilitate purchases.

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(This answer should highlight measureable outputs and outcomes.)

**i) Other Issues:**

**List attachments below:**

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STATE OF WASHINGTON -- KING COUNTY

--SS.

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329280

No. 124859,860,861,862,863

CITY OF SEATTLE, CLERKS OFFICE

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

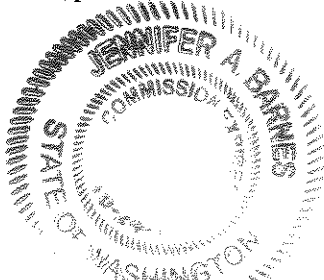
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT: TITLE ONLY ORDINANCES

was published on

10/09/15

The amount of the fee charged for the foregoing publication is the sum of \$93.00 which amount has been paid in full.



Affidavit of Publication

*[Handwritten Signature]*  
\_\_\_\_\_  
Subscribed and sworn to before me on  
10/09/2015  
*[Handwritten Signature]*  
\_\_\_\_\_

Notary public for the State of Washington,  
residing in Seattle

## State of Washington, King County

### City of Seattle

#### Title Only Ordinances

The full text of the following legislation, passed by the City Council on September 21, 2015, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Contact: Office of the City Clerk at (206) 684-8344.

#### Ordinance 124859

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

#### Ordinance 124860

AN ORDINANCE relating to the Special Events Committee, special events permitting, and special events fees; amending Sections 15.52.005, 15.52.010, 15.52.020, 15.52.030, 15.52.040, 15.52.050, 15.52.060, 15.52.080, and 15.52.090 of the Seattle Municipal Code; and repealing and replacing Section 15.52.070 of the Seattle Municipal Code.

#### Ordinance 124861

AN ORDINANCE requiring owners of certain low-income housing to notify the Office of Housing and the Seattle Housing Authority of the owner's proposed sale of that housing; establishing penalties; and adding a new Chapter 22.907 to the Seattle Municipal Code.

#### Ordinance 124862

AN ORDINANCE related to rental housing; and amending Seattle Municipal Code subsection 22.206.160.C to require the owners of rental housing units to provide additional advance written notice to tenants prior to eviction.

#### Ordinance 124863

AN ORDINANCE relating to City employment commonly referred to as the Second Quarter 2015 Employment Ordinance; establishing new titles and/or salaries; designating positions as exempt from Civil Service status; amending Seattle Municipal Code Section 4.13.010; amending Seattle Municipal Code Section 4.12.080; and

ratifying and confirming certain prior acts; all by a 2/3 vote of the City Council.

Date of publication in the Seattle Daily Journal of Commerce: October 9, 2015.  
10/9(329280)