



SEATTLE CITY COUNCIL

Legislative Summary

CB 119537

Record No.: CB 119537

Type: Ordinance (Ord)

Status: Passed

Version: 2

Ord. no: Ord 125873

In Control: City Clerk

File Created: 05/23/2019

Final Action: 08/02/2019

Title: AN ORDINANCE relating to the sale of low-income housing; requiring owners of certain multi-family rental housing to notify the Seattle Office of Housing, the Seattle Housing Authority, and tenants of the owner's proposed sale of that housing; and amending Sections 22.907.030 and 22.907.100 of the Seattle Municipal Code.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Mosqueda

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: jodee.schwinn@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	05/30/2019	sent for review	Housing, Health, Energy, and Workers' Rights Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Housing, Health, Energy, and Workers' Rights Committee						
1	City Council	06/03/2019	referred	Housing, Health, Energy, and Workers' Rights Committee			
1	Housing, Health, Energy, and Workers' Rights Committee	06/06/2019	held				
	Action Text: The Council Bill (CB) was held until June 13.						

Legislative Summary Continued (CB 119537)

- 1 Housing, Health, Energy, 06/13/2019 discussed
and Workers' Rights
Committee
Action Text: The Council Bill (CB) was discussed in Committee.
- 1 Housing, Health, Energy, 07/11/2019 held
and Workers' Rights
Committee
Action Text: The Council Bill (CB) was held.
- 1 Housing, Health, Energy, 07/18/2019 pass as amended Pass
and Workers' Rights
Committee
Action Text: The Committee recommends that City Council pass as amended the Council Bill (CB).
In Favor: 3 Chair Mosqueda, Member Bagshaw, Harrell
Opposed: 0
- 1 City Council 07/22/2019 passed Pass
Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:
In Favor: 8 Councilmember Bagshaw, Councilmember González , Council
President Harrell, Councilmember Herbold, Councilmember Mosqueda,
Councilmember O'Brien, Councilmember Pacheco, Councilmember
Sawant
Opposed: 0
- 2 City Clerk 07/25/2019 submitted for Mayor
Mayor's signature
- 2 Mayor 08/02/2019 Signed
Action Text: The Council Bill (CB) was Signed.
- 2 Mayor 08/02/2019 returned City Clerk
- 1 City Clerk 08/02/2019 attested by City Clerk
Action Text: The Ordinance (Ord) was attested by City Clerk.
-

CITY OF SEATTLE

ORDINANCE 125873

COUNCIL BILL 119537

AN ORDINANCE relating to the sale of low-income housing; requiring owners of certain multi-family rental housing to notify the Seattle Office of Housing, the Seattle Housing Authority, and tenants of the owner’s proposed sale of that housing; and amending Sections 22.907.030 and 22.907.100 of the Seattle Municipal Code.

WHEREAS, Seattle continues to experience significant economic growth that is making Seattle an attractive place to live and work; and

WHEREAS, there is a shortage of affordable rental and homeownership housing for low-income households in Seattle; and

WHEREAS, multifamily rental housing buildings being offered for sale and in which low-income households live could provide an opportunity for those households or others to purchase the buildings and preserve the buildings as affordable housing, including the opportunity to form partnerships with organizations that will preserve the buildings as long-term affordable housing through land trusts, limited equity cooperatives, and other similar strategies; and

WHEREAS, The City of Seattle (“City”) would like owners of multifamily rental buildings to notify tenants, the City, and the Seattle Housing Authority (SHA) of the proposed sale of a building to give those prospective purchasers time to make an offer to purchase the building; and

WHEREAS, the City believes that tenants of buildings that may be sold should be notified of the possible sale because the sale of the building may result in operational and financial changes that impact the tenants; and

1 WHEREAS, the City Council finds that enactment of this ordinance will promote and protect the
2 health, safety, and welfare of the general public; NOW, THEREFORE,

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

4 Section 1. Section 22.907.030 of the Seattle Municipal Code, enacted by Ordinance
5 124861, is amended as follows:

6 **22.907.030 Notice of proposed sale of low-income ~~((housing))~~ multi-family rental building**

7 A. ~~((Owners))~~ Except as provided in this Section 22.907.030, an owner of a multifamily
8 rental housing building as defined in Section 23.84A.032, having ~~((five))~~ two or more housing
9 rental units, any one of which rents for an amount that is affordable to households at or below
10 80 percent of area median income, as ~~((median income was))~~ most recently determined by the
11 United States Department of Housing and Urban Development for the Seattle metropolitan
12 statistical area, shall notify the Seattle Office of Housing (OH) and the Seattle Housing
13 Authority (SHA) of the owner's intent to sell the building. The notice shall be in writing and
14 include the owner's name, phone number, and the address of the rental housing building that
15 will be ~~((listed))~~ offered for sale. At the same time, the owner shall submit to OH a declaration
16 signed under penalty of perjury, affirming that the owner has complied with the notice
17 requirements of this Section 22.907.030. The notice and declaration shall be ~~((mailed))~~
18 submitted no later than ~~((60))~~ 90 days prior to the building being listed with any real estate
19 listing service or advertised for sale ~~((either))~~ in a printed newspaper or on a website. For the
20 purposes of this Section 22.907.030, a building is "listed" when an owner has signed a listing
21 agreement with a real estate agent. ~~((Owners of a multifamily rental housing building having~~
22 five or more housing units who are otherwise required by law or agreement to notify the Office

1 ~~of Housing of the owner's intent to sell or transfer the building and who have provided such~~
2 ~~notice are exempt from the notice requirement prescribed by this Section 22.907.030.))~~

3 B. No later than 90 days prior to the building being listed or advertised, the owner
4 shall prominently post a notice in the building that states the owner's intent to sell the building.
5 The notice shall be posted in a location that is clearly visible to building tenants. The notice
6 shall include information prepared by OH that describes funding that might be available to
7 help tenants purchase the building. The notice shall refer tenants to the City's website for
8 renters that could provide helpful information on potential programs to assist tenants in the
9 event of a sale.

10 C. If an owner receives a written offer to purchase a building prior to listing or
11 advertising the building for sale and intends to accept the offer, the owner must, within two
12 days of receiving the offer, post notice of the offer at the building and provide the written
13 notices and declaration described in this Section 22.907.030.

14 D.

15 1. For buildings having two to four housing rental units, no later than 15
16 calendar days after the owner has submitted and posted the notices required by this Section
17 22.907.030, OH, SHA, a tenant (or tenant group), or a qualified non-profit housing developer
18 having notice of the potential sale may notify the owner and OH of its interest in purchasing
19 the building. If none of those entities or individuals notify the owner and OH of its interest in
20 purchasing the building within that 15 calendar day period, the owner may list or advertise the
21 building for sale, offer the building for sale, or sell the building.

22 2. If OH, SHA, a tenant (or tenant group), or a qualified non-profit housing
23 developer notify the owner and OH of its interest in purchasing the building, the owner shall

1 provide to such individuals or entities, within three business days of the date the owner and OH
2 are notified of such interest, the number of rental units in the building, and the rent charged for
3 each unit.

4 3. Within 15 calendar days of notifying the owner and OH of its interest in
5 purchasing the building, a tenant (or tenant group) must provide to the owner documentation
6 from a financial institution or mortgage lender that the tenant (or tenant group) qualifies for a
7 mortgage or similar fund source that will enable purchase of the building. This documentation
8 shall be submitted to the owner and OH via email, fax, or U.S. mail. OH may approve other
9 types of documentation that show the tenant (or tenant group) has the financial ability to
10 purchase the building. If a tenant (or tenant group) does not provide the required
11 documentation, the owner may list or advertise the building for sale, offer the building for sale
12 or sell the building.

13 4. Within 30 days of OH, SHA, a tenant (or tenant group), or qualified non-
14 profit housing developer notifying the owner and OH of its interest in purchasing the building,
15 the entity or individual expressing that interest must offer to purchase the building. If the entity
16 or individual fails to do so or if the owner and potential buyer cannot agree to the purchase of
17 the building, the owner may list or advertise the building for sale, offer the building for sale, or
18 sell the building.

19 E.

20 1. For buildings having five or more housing rental units, no later than 30
21 calendar days after the owner has submitted and posted the notices required by this Section
22 22.907.030, OH, SHA, a tenant (or tenant group), or a qualified non-profit housing developer
23 having notice of the potential sale may notify the owner and OH of its interest in purchasing

1 the building. If none of these entities or individuals notify the owner and OH of its interest in
2 purchasing the building within that 30 calendar day period, the owner may list or advertise the
3 building for sale, offer the building for sale, or sell the building.

4 2. If OH, SHA, a tenant (or tenant group), or a qualified non-profit housing
5 developer notifies the owner and OH of its interest in purchasing the building, the owner shall
6 provide to such individuals or entities, within three business days of the date the owner and OH
7 are notified of such interest, the number of rental units in the building and the rent charged for
8 each unit.

9 3. Within 15 days of notifying the owner and OH of its interest in purchasing
10 the building, a tenant (or tenant group) must provide to the owner documentation from a
11 financial institution, or mortgage lender that the tenant (or tenant group) qualifies for a
12 mortgage or similar fund source that will enable purchase of the building. This documentation
13 shall be submitted to the owner and OH via email, fax, or U.S. mail. OH may approve other
14 types of documentation that show that a tenant (or tenant group) has the financial ability to
15 purchase the building. If a tenant (or tenant group) does not provide the documentation the
16 owner may list or advertise the building for sale, the building for sale or sell the building.

17 4. Within 90 days of OH, SHA, a tenant (or tenant group), or qualified non-
18 profit housing developer notifying the owner and OH of its interest in purchasing the building,
19 the entity or individual expressing that interest must offer to purchase the building. If the entity
20 or individual fails to do so or if the owner and potential buyer cannot agree to the purchase of
21 the building, the owner may list or advertise the building for sale, offer the building for sale,
22 or sell the building.

1 For the purposes of this Section 22.907.030, “qualified non-profit housing developer” means a
2 nonprofit organization that has developed and operated at least three affordable housing
3 projects in Seattle and is in good standing on projects funded by OH, as described in the City’s
4 Housing Funding Policies, adopted by Ordinance 125852.

5 Section 2. Section 22.907.100 of the Seattle Municipal Code, enacted by Ordinance
6 124861, is amended as follows:

7 **22.907.100 Penalties**

8 The Director of the Seattle Department of ((Planning and Development)) Construction and
9 Inspections may impose a civil penalty in an amount up to but no more than ~~(((\$500.00))~~ \$2000
10 on any person who fails to ~~((notify the Office of Housing of the owner's intent to sell as~~
11 ~~required by))~~ comply with the notice requirements contained in Section 22.907.030.

12 Section 3. The City Council requests the City Auditor, in collaboration with the Office of
13 Housing, to evaluate the multifamily building owners’ compliance with the notice provisions of
14 this ordinance two years after approval of this ordinance or approximately July 2021. The
15 Auditor shall submit a report to the City Council’s Housing, Health, Energy and Workers’ Rights
16 Committee (or successor committee) by December 30, 2021 that contains the results of this
17 evaluation and any recommended changes to the notice provisions of this ordinance.

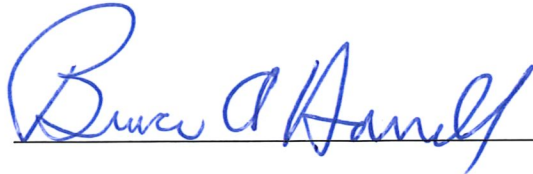
18 Section 4. The Office of Housing will facilitate workshops for tenant groups, non-profit
19 housing developers, community organizations, housing financing entities, realtors and
20 commercial brokers, and owners of rental housing to discuss how to facilitate the timely sale of
21 buildings to interested parties, including the provision of technical assistance to tenant groups,
22 non-profit housing developers, and other organizations so that they are prepared to submit offers
23 to purchase multifamily buildings that are listed for sale

1 In addition, the Office of Housing in collaboration with the Seattle Department of
2 Construction and Inspections, is requested to develop strategies to enforce provisions of this
3 ordinance. One proposed strategy could include convening an ongoing stakeholder group to
4 assist in identifying and developing a watch list of multifamily buildings that may be offered for
5 sale in the near future. OH is requested to convene a stakeholder group to assist in the
6 development of strategies. OH will provide a report to the City Council's Housing, Health,
7 Energy and Workers' Rights Committee by September 30, 2019 regarding the proposed
8 strategies and the additional costs, if any, of implementing such strategies.

9

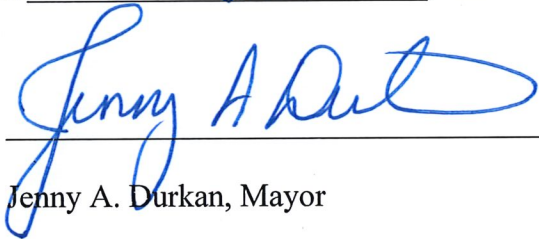
1 Section 5. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 22nd day of July, 2019,
5 and signed by me in open session in authentication of its passage this 22nd day of
6 July, 2019.


7 

8 President _____ of the City Council

9 Approved by me this 2nd day of August, 2019.

10 
11 Jenny A. Durkan, Mayor

12 Filed by me this 2nd day of August, 2019.

13 
14 Monica Martinez Simmons, City Clerk

15 (Seal)



SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Legislative	Traci Ratzliff/4-8153	

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the sale of low-income housing; requiring owners of certain multi-family rental housing to notify the Seattle Office of Housing, the Seattle Housing Authority, and tenants of the owner’s proposed sale of that housing; and amending Sections 22.907.030 and 22.907.100 of the Seattle Municipal Code.

Summary and background of the Legislation: This legislation makes changes to the Notice of Intent to Sell policy adopted in 2015. These changes are as follows:

- Expands the notice requirement to apply to owners of multifamily rental housing with two or more housing units, with at least one of the units renting at a rate affordable to a household at or below 80% of AMI.
- Increases the notice period from 60 days to 90 days prior to a building being formally listed for sale.
- Requires an owner to submit a signed declaration, under penalty of perjury, affirming that the owner has complied with the required notices. This declaration is submitted to OH at the same time the required written notice of intent to sell is submitted.
- Requires an owner to prominently post a notice in the building that will be sold that states the owner’s intent to sell the building so that tenants are informed of this impending action. The notice must be posted no later than 90 days prior to the building being listed or advertised for sale. The notice shall include information on the availability of homeownership assistance from OH for low-income tenants, and the City’s website for renters.
- Requires an owner who receives a written offer to purchase a building, prior to listing or advertising a property for sale with intent to accept such offer, to issue the required notices within two days of receiving the offer.
- Prohibits an owner from executing a purchase and sale agreement for a building until 90 days after the required notices have been issued.
- Increase the penalty from \$500 to \$2000 for failing to comply with notice requirements.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes ___x___ No

If yes, please fill out the table below and 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. If no, please delete the table.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2023:

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes No

If there are no changes to appropriations, revenues, or positions, please delete the table below.

Appropriation change (\$):	General Fund \$		Other \$	
	2019	2020	2019	2020
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2019	2020	2019	2020
Positions affected:	No. of Positions		Total FTE Change	
	2019	2020	2019	2020

Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs? No

If so, describe the nature of the impacts. This could include increased operating and maintenance costs, for example.

Is there financial cost or other impacts of *not* implementing the legislation? No

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.

If there are no changes to appropriations, revenues, or positions, please delete sections 3.a., 3.b., and 3.c. and answer the questions in Section 4.

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/Reimbursements.

Fund Name and number	Dept	Budget Control Level Name/#*	2019 Appropriation Change	2020 Estimated Appropriation Change
TOTAL				

**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 ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not completely 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.

Is this change one-time or ongoing?

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

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	2019 Revenue	2020 Estimated Revenue
TOTAL				

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?

Is this change one-time or ongoing?

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

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	2019 Positions	2019 FTE	Does it sunset? (If yes, explain below in Position Notes)
TOTAL							

* 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.

Position Notes:

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department? Office of Housing and Seattle Department of Construction and Inspections.

If so, please list the affected department(s) and the nature of the impact (financial, operational, etc.).

b. Is a public hearing required for this legislation? No

If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned/required in the future?

c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant? Yes

If yes, please describe the measures taken to comply with RCW 64.06.080.

Will post at appropriate location, as required.

d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation? No

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.

e. Does this legislation affect a piece of property? No

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.

f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public? At a minimum will provide notice to renters – who include vulnerable and historically disadvantage communities, of a potential sale of a multi-family building that could impact the tenant in terms of operations of the building or rent. In addition, the notice may provide opportunity for a non-profit or Seattle Housing Authority to have time to put an offer to purchase a building being put up for sale – thus preserving affordable housing in the City.

g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s). N/A

This answer should highlight measurable outputs and outcomes.

List attachments/exhibits below:

STATE OF WASHINGTON -- KING COUNTY

--SS.

376764

No. 125871,872,873

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 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

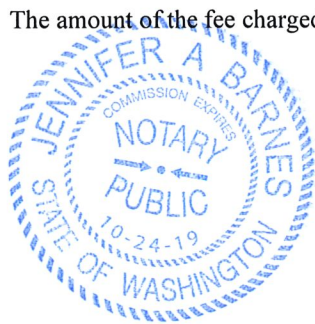
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT; TITLE ONLY ORDINANCES

was published on

08/13/19

The amount of the fee charged for the foregoing publication is the sum of \$69.00.



Samuel Colby

Subscribed and sworn to before me on

08/13/2019

[Signature]

Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

State of Washington, King County

City of Seattle

Title Only Ordinances

The full text of the following legislation, passed by the City Council on July 22, 2019, and published below by title only, will be mailed upon request, or can be accessed at <http://seattle.legistar.com>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Ordinance 125871

Council Bill 119570

AN ORDINANCE relating to Seattle Parks and Recreation; authorizing the acquisition of real property commonly known as 2318 NE 125th St.; authorizing acceptance and recording of the deed for open space, park, and recreation purposes; and ratifying and confirming certain prior acts.

Ordinance 125872

Council Bill 119402

AN ORDINANCE related to funding for the Equitable Development Initiative and affordable housing; creating a fund for short-term rental tax revenue.

Ordinance 125873

Council Bill 119537

AN ORDINANCE relating to the sale of low-income housing; requiring owners of certain multi-family rental housing to notify the Seattle Office of Housing, the Seattle Housing Authority, and tenants of the owner's proposed sale of that housing; and amending Sections 22.907.030 and 22.907.100 of the Seattle Municipal Code.

Date of publication in the Seattle Daily Journal of Commerce, August 13, 2019.

8/13(376764)