

CITY OF SEATTLE

ORDINANCE

COUNCIL BILL

117905

AN ORDINANCE relating to rental registration and inspection; amending the title of Chapter 22.214 and Sections 22.214.010, 22.214.020, 22.214.030, 22.214.040, 22.214.045, 22.214.050, 22.214.060, 22.214.080, and 22.214.085; amending previously non-codified section 16 of Ordinance 124011; and adding new sections 22.214.086 and 22.214.087.

WHEREAS, on October 1, 2012, the City Council, by Ordinance 124011, established a rental housing registration and inspection program to protect the health, safety, and welfare of the public; and prevent deterioration and blight conditions that adversely impact the quality of life in the city; and

WHEREAS, the City Council directed the Department of Planning and Development to develop the program, including fees to cover the cost of the program and rules for the weighted inspection program, the selection of properties for inspection, and other elements of program administration; and

WHEREAS, the Department has been developing fees, rules, and the administrative infrastructure for the program in continued consultation with a stakeholder group; and

WHEREAS, the Department in consultation with the stakeholder group has identified proposed changes to the ordinance to clarify council intent, prevent unintended consequences, and reduce program costs through administrative efficiencies; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The title of Ch. 22.214 of the Seattle Municipal Code, established by Ordinance 124011, is amended as follows:

Chapter 22.214 ((~~Rental Housing Registration and Inspection Program~~))Rental Registration and Inspection Ordinance

Section 2. Section 22.214.010 of the Seattle Municipal Code, adopted in Ordinance 124011, is amended as follows:

1 **22.214.010 Declaration of purpose**

2 The City Council finds that establishing a Rental ~~((Housing-))~~Registration and Inspection
3 ~~((Program))~~Ordinance is necessary to protect the health, safety, and welfare of the public; and
4 prevent deterioration and blight conditions that adversely impact the quality of life in the city.
5 This shall be accomplished by requiring rental housing be registered and properly maintained,
6 and that substandard housing conditions be identified and corrected.

7 Section 3. Section 22.214.020 of the Seattle Municipal Code, adopted in Ordinance
8 124011, is amended as follows:

9 **22.214.020 Definitions**

10 For purposes of this Chapter 22.214, the following words or phrases have the meaning
11 prescribed below:

12 1. "Accessory dwelling unit" or "ADU" means an "Accessory dwelling unit" or a
13 "detached accessory dwelling unit" or "DADU" as defined under "Residential ~~((Use))~~use" in
14 Section 23.84A.032.

15 2. "Certificate of Compliance" means the document ~~((signed and dated))~~issued by
16 a ~~((Qualified Rental Housing Inspector))~~qualified rental housing inspector ~~((that is))~~ and
17 submitted to the Department ~~((as the result of an inspection conducted by a Qualified Rental
18 Housing Inspector and-))~~ by a property owner or agent that certifies the rental housing units that
19 were inspected by the qualified rental housing inspector comply with the requirements of this
20 Chapter 22.214 ~~((and the standards in section 22.214.050.M))~~.

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22 11. "Housing Unit" means any structure or part of a structure ~~((in the city-))~~that is
23 used or may be used by one or more persons as a home, residence, dwelling, or sleeping place;
24 ~~((by one or more persons))~~ including but not limited to single-family residences, duplexes,
25 triplexes, and four-plexes~~((;))~~; multi-family ~~((dwellings))~~ units, apartment ~~((buildings,))~~units,
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1 ~~((condominiums))~~ condominium units, ~~((rooming houses))~~ rooming-house units, micro dwelling
2 units, housekeeping units, single-room-~~((occupancies))~~ occupancy units, and accessory-dwelling
3 units~~((s))~~; and any other structure having similar living accommodations.

4 * * *

5 Section 4. Section 22.214.030 of the Seattle Municipal Code, adopted in Ordinance
6 124011, is amended as follows:

7 **22.214.030 Applicability**

8 * * *

9 B. The inspection provisions of this Chapter 22.214 shall apply to rental housing units
10 that are included in this Rental ~~((Housing-))~~Registration and Inspection ~~((Program))~~Ordinance,
11 with the exception of:

12 1. Rental housing units that receive funding or subsidies from federal, state, or
13 local government when the rental housing units are inspected by a federal, state, or local
14 governmental entity at least once every five years as a funding or subsidy requirement; and the
15 ~~((entity,))~~rental housing unit owner or agent submits information to the Department within 60
16 days of ~~((when the housing unit would otherwise be subject to inspection under this Chapter~~
17 ~~))~~being notified that an inspection is required that demonstrates the periodic federal, state, or
18 local government inspection is substantially equivalent to the inspection required by this
19 Chapter; and

20 2. Rental housing units that receive conventional funding from private or
21 government insured lenders when the rental housing unit is inspected by the lender or lender's
22 agent at least once every five years as a requirement of the loan; and the lender or lender's agent
23 submits information to the Department within 60 days of ~~((when the housing unit would~~
24 ~~otherwise be subject to inspection under this Chapter))~~ being notified that an inspection is

1 required that demonstrates ~~((how-))~~the periodic lender inspection is substantially equivalent to
2 the inspection required by this Chapter; and

3 3. Accessory dwelling units and detached accessory dwelling units, provided the
4 owner lives in one of the housing units on the property and an "immediate family" member as
5 identified section 22.206.160.C.1.e lives in the other housing unit on the same property.

6 Section 5. Section 22.214.040 of the Seattle Municipal Code, adopted in Ordinance
7 124011, is amended as follows:

8 **22.214.040 Rental housing registration, compliance declaration, and renewals**

9 A. With the exception of rental housing units identified in ~~((section))~~subsection
10 22.214.030.A, all properties containing rental housing units shall be registered with the
11 Department~~((between January 1, 2014 and December 31, 2016; after which))~~ according to the
12 registration deadlines in this section 22.214.040.A. After the applicable registration deadline, no
13 one shall rent, subrent, lease, sublease, let, or sublet to any person or entity a rental housing unit
14 without first obtaining and holding a current rental housing registration for the property where
15 the rental housing unit is located. The registration shall identify all rental housing units on the
16 property and shall be the only registration required for the rental housing units on the property.
17 For condominiums and cooperatives, the ~~(("property"))~~ property required to be registered shall
18 be the individual housing unit being rented and not the entire condominium building~~((-)),~~
19 cooperative building, or development. If a property owner owns more than one housing unit in a
20 condominium or cooperative building, the owner may submit a single registration application for
21 the units owned in the building. Properties with rental housing units shall be registered according
22 to the following schedule:

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24 3. ~~((By December 31, 2016 all properties with one to four rental housing~~
25 units))Between January 1, 2015 and December 31, 2016, all properties with one to four rental

1 housing units shall be registered according to a schedule established by Director's rule. The
2 schedule shall include quarterly registration deadlines; and shall be based on dividing the city
3 into registration areas that are, to the degree practicable, balanced geographically and by rough
4 numbers of properties to be registered in each area.

5 B. All properties with rental housing units constructed or occupied after January((;)) 1,
6 2014 shall be registered ((within one year after the first temporary or final Certificate of
7 Occupaney is issued.))prior to occupancy or according to the registration schedule established in
8 subsection 22.214.040.A, whichever is later.

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10 E. The fees for rental housing registration, renewal, ((registration, registration transfer,
11 registration))reinstatement, or for other Rental ((Housing)) Registration and Inspection
12 ((Program))Ordinance program purposes shall be adopted by amending Chapter 22.900.

13 F. The new owner of a registered property shall, within 60 days after the sale is closed on
14 a registered property, ((pay a registration transfer fee,))update the current registration
15 ((application,)) information and post or deliver the updated registration according to ((section))
16 subsection 22.214.040.I. When property is held in common with multiple owners, the
17 registration shall ((only))be updated when more than 50 percent of the ownership changes.

18 G. An application for a rental housing registration shall be made to the Department on
19 forms provided by the Director. The application shall include, but is not limited to:

20 1. The address of the property((as established by the United States Postal
21 Service));

22 ((2. The King County Tax Assessor tax parcel number of the property;))

23 ((3))2. The name, address, and telephone number of the property owners;

24 ((4))3. The name, address, and telephone number of the registration applicant if
25 different from the property owners;

1 ~~((5))~~4. The name, address, and telephone number of the person or entity the tenant
2 is to contact when requesting repairs be made to their rental housing unit, and the contact
3 person's business relationship to the owner;

4 ~~((6))~~5. A list of all rental housing units on the property, identified by a means
5 unique to each unit, that are or may be available for rent at any time;

6 ~~((7))~~6. A declaration of compliance (~~((signed by))~~from the owner or owner's agent,
7 (~~((under penalty of perjury,))~~) declaring that all housing units that are or may be available for rent
8 (~~((and))~~are listed in the registration application and meet or will meet the standards (~~((in section~~
9 22.214.050.M)) in this Chapter 22.214 before the units are rented; and.

10 ~~((8))~~7. A statement identifying whether the conditions of the housing units
11 available for rent and listed on the application were established by declaration of the owner or
12 owner's agent, or by physical inspection by a qualified rental housing inspector.

13 H. A rental housing registration must be renewed according to the following procedures:

14 1. A registration renewal application and the renewal fee shall be submitted at
15 least 30 days before the current registration expires;

16 2. All information required by (~~((section))~~subsection 22.214.040.G shall be
17 updated as needed; and,

18 3. A new declaration as required by (~~((section))~~subsection 22.214.040.G.6 shall be
19 submitted.

20 I. Within 30 days after the Department issues a rental housing registration, a copy of the
21 current registration shall be delivered by the property owner or owner's agent to the tenants in
22 each rental housing unit or shall be posted by the property owner or owner's agent and remain
23 posted in one or more places readily visible to all tenants. A copy of the current registration shall
24 be provided by the property owner or owner's agent to all new tenants at or before the time they
25 take possession of the rental housing unit.

1 J. If any of the information required by section 22.214.040.G changes during the term of
2 a registration, the owner shall update the information within 60 days of the information
3 changing, on a form provided by the Director.

4 Section 6. Section 22.214.045 of the Seattle Municipal Code, adopted in Ordinance
5 124011, is amended as follows:

6 **22.214.045 Registration denial or revocation**

7 A. A rental housing registration may be denied or revoked by the Department as follows:

8 1. A registration or renewal registration application may be denied for:

9 a. Submitting an incomplete application; or

10 b. Submitting a ~~((certificate))~~ declaration of compliance the owner knows
11 or should have known is false; and

12 2. A rental housing registration may be revoked for:

13 a. Failing to comply with the minimum standards as required in ~~((section~~
14 ~~22.214.050.M))~~ this Chapter 22.214;

15 b. Submitting a declaration of compliance or certificate of compliance the
16 owner knows or should have known is false;

17 c. Failing to use a qualified rental housing inspector;

18 d. Failing to ~~((transfer a registration to a new owner))~~ update and deliver or
19 post registration information as required by ~~((section))~~ subsection 22.214.040.F; or

20 e. Failing to deliver or post the registration as required by
21 ~~((section))~~ subsection 22.214.040.I.

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23 Section 7. Section 22.214.050 of the Seattle Municipal Code, adopted in Ordinance
24 124011, is amended as follows:

1 **22.214.050 Inspection and certificate of compliance required**

2 A. The Department shall ~~((annually))~~periodically select from registered properties
3 containing rental housing units, the properties that shall be inspected by a qualified rental
4 housing inspector for certification of compliance. The property selection process shall be based
5 on a random methodology adopted by rule, and shall include at least ten percent of all registered
6 rental properties per year. ~~((For newly))~~Newly-constructed or substantially-altered properties that
7 receive final inspections or a first certificate of occupancy and ~~((registered under section~~
8 22.214.040.B))register after January 1, 2014~~((, the properties))~~ shall be included in the random
9 property selection process after the date the property registration is required to be renewed for
10 the first time.

11 B. The Department shall ensure that all properties registered under this Chapter 22.214
12 shall be inspected at least once every ten years, ~~((except as provided in sections 22.214.050.C~~
13 ~~and 22.214.050.D;))~~ or as otherwise allowed or required by any federal, state, or city code. In
14 addition, at least ten percent of properties whose prior inspections are more than five years old
15 shall be reinspected each year. The Director shall by rule determine the method of selecting
16 properties for reinspection.

17 C. If the Department receives a complaint regarding a rental housing unit regulated
18 under this program, the Department shall request that an interior inspection of the rental housing
19 unit identified in the complaint be conducted by a Department inspector using the general
20 authority, process, and standards of the full Housing and Building Maintenance Code, Chapters
21 22.200 through 22.208 of the Seattle Municipal Code. If, after inspecting the rental housing unit
22 the Department received the complaint on, the Department determines the rental housing unit
23 violates the standards in ~~((Section))~~ subsection 22.214.050.M and ~~((would cause))~~causes the
24 rental housing unit to fail inspection under this Chapter 22.214, the Director may require that
25 ~~((all))~~any other rental housing units covered under the same registration on the property be
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1 inspected (~~according to section 22.214.050.G.1.c. and 22.214.050.G.1.d~~) following the
2 procedures of this section 22.214.050 for inspection timing, giving notice to tenants, and
3 submitting a certificate of compliance. The inspection of (~~all~~) any other rental housing units
4 may be conducted by a private qualified rental housing inspector.

5 D. If a property subject to this Chapter 22.214 has within two years preceding the
6 adoption of this Chapter been subject to two or more notices of violation or one or more
7 emergency orders of the Director for violating the standards in Chapters 22.200 through 22.208
8 of the Seattle Municipal Code where enforced compliance was achieved by the Department or
9 the violation upheld in a final court decision, the rental property shall be selected for inspection
10 during 2015 or within the first year of required inspections, consistent with the provisions of
11 (~~section~~) subsections 22.214.050.E(-) through (M) 22.214.050.M.

12 E. A certificate of compliance shall be issued by a qualified rental housing inspector,
13 based upon the inspector's physical inspection of the interior and exterior of the rental housing
14 units, and the inspection shall be conducted not more than 60 days prior to the certificate of
15 compliance date.

16 F. The certificate of compliance that shall be submitted by the property owner or owner's
17 agent within 60 days of receiving notice of a required inspection under this (~~section~~) Section
18 22.214.050, shall:

19 1. Certify (~~List and show~~) compliance with the standards (~~contained in~~) as
20 required by this Chapter 22.214 (~~section 22.214.050.M~~) for each rental housing unit that was
21 inspected;

22 2. State the date of the inspection and the name, address, and telephone number of
23 the qualified rental housing inspector who performed the inspection;

24 3. State the name, address, and telephone number of the property owner or
25 owner's agent; and

1 4. Contain a ~~((sworn-))~~statement that the qualified rental housing inspector
2 personally inspected all rental housing units listed on the certificate of compliance.

3 G. Inspection of rental housing units for a certificate of compliance according to
4 ~~((sections))~~subsections 22.214.050.A and 22.214.050.B shall be accomplished as follows~~((-))~~:

5 1. In buildings that contain more than one rental housing unit, a property
6 owner~~((an applicant))~~ may choose to have all of the rental housing units inspected by a qualified
7 rental housing inspector. If the building has not had ~~((conditions))~~Housing and Building
8 Maintenance Code violations reported to and verified by the Department through enforced
9 compliance or a final court decision ~~((and the violation))~~ that would have caused a unit to fail
10 inspection under ~~((section 22.214.050.M))~~this Chapter 22.214 within any preceding 12 months
11 or since the last inspection required by this Chapter 22.214, whichever is the most recent, an
12 applicant may choose to have only a sample of the rental housing units inspected. If the applicant
13 chooses to have a sample of the rental housing units inspected the following requirements shall
14 apply:

15 a. For buildings containing 20 or fewer rental housing units, a minimum of
16 two units are required to be inspected; or

17 b. For buildings containing more than 20 rental housing units, 15 percent
18 of the rental housing units, rounded up to the nearest whole number, are required to be inspected,
19 up to a maximum of 50 rental housing units in each building.

20 2. The Department shall ~~((randomly))~~ select the rental housing units to be
21 inspected under this Section ~~((22.214.045))~~22.214.050 using a methodology adopted by rule.

22 3. If a rental housing unit ~~((randomly-))~~selected by the Department fails the
23 inspection, the Department may require that up to 100 percent of the rental housing units in the
24 building where the unit that failed inspection is located be inspected.

25 H. Notice of inspection to tenants.
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1 1. After the Department selects the rental housing units to be inspected, and the
2 Department has provided written notice to the owner or owner's agent of the units to be
3 inspected, the owner or owner's agent shall, prior to any scheduled inspection, provide at least
4 ~~((48 hours))~~ two days advance written notice to all tenants residing in all rental housing units on
5 the property advising the tenants that:

6 a. Some or all of the rental housing units will be inspected. If only a
7 sample of the units will be inspected the notice shall identify the rental housing units to be
8 inspected;

9 b. A qualified rental housing inspector will enter the rental housing unit
10 for purposes of performing an inspection according to this Chapter 22.214;

11 c. The inspection will occur on a specifically-identified date and at an
12 approximate time, and the name of the company and person performing the inspection;

13 d. A tenant shall not unreasonably withhold consent for the owner or
14 owner's agent to enter the property as provided in RCW 59.18.150;

15 e. The tenant has the right to see the inspector's identification before the
16 inspector enters the rental housing unit;

17 f. At any time a tenant may request, in writing to the owner or owner's
18 agent, that repairs or maintenance actions be undertaken in his or her unit; and

19 g. If the owner or owner's agent fails to adequately respond to the request
20 for repairs or maintenance at any time, the tenant may contact the Department about the rental
21 housing unit's conditions without fear of retaliation or reprisal.

22 2. The contact information for the Department as well as the right of a tenant to
23 request repairs and maintenance shall be prominently displayed on the notice of inspections
24 provided under this ~~((section 22.214.050.I))~~ subsection 22.214.050.H.
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2 I. A certificate of compliance shall be valid and used for purposes of complying with the
3 inspection provisions of this Chapter 22.214 for five years from the date the certificate is issued,
4 unless the Department determines that ~~((a violation of section 22.214.050.M exists for any of the~~
5 ~~rental housing units listed in the certificate of compliance. If the Department determines that a~~
6 ~~violation of section 22.214.050.M exists in any))~~the certificate is no longer valid because one or
7 more of the rental units listed in the certificate of compliance(,) no longer meets the standards
8 as required in this Chapter 22.214. When the Department determines a certificate of compliance
9 is no longer valid, the owner may be required to have all rental housing units on the property
10 inspected by a qualified rental housing inspector, obtain a new certificate of compliance, and pay
11 a new registration fee.

12 J. The Department shall audit ~~((inspection reports and))~~certificates of compliance
13 prepared by private qualified rental housing inspectors by reviewing ~~((inspection findings and))~~
14 certificates of compliance to determine their completeness and accuracy. ~~((The Department may~~
15 ~~as an element of auditing inspection reports and certificates of compliance, inspect any listed~~
16 ~~rental housing unit for compliance with this Chapter 22.214.))~~ If the Department determines that
17 a violation of this Chapter 22.214 exists, the owner and qualified rental housing inspector shall
18 be subject to all enforcement and remedial provisions provided for in this Chapter 22.214.

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20 L. A weighted checklist based on the standards ~~((Weighted values that are assigned to~~
21 ~~each inspection standard))~~ identified in ~~((section))~~ subsection 22.214.050.M shall be adopted by
22 rule and used to determine whether a rental housing unit will pass or fail inspection.

23 M. ~~((A qualified rental housing inspector inspecting a rental housing unit for a certificate~~
24 ~~of compliance under this Chapter 22.214 shall inspect for and certify compliance with the))~~The
25 following requirements of the Housing and Building Maintenance Code shall be included in the
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1 weighted checklist required by subsection 22.214.050.L and used by a qualified rental housing
2 inspector to determine whether a rental housing unit will pass or fail inspection:

3 1. The minimum floor area standards for a habitable room contained in ~~((section))~~
4 subsection 22.206.020.A. Section 22.206.020.A shall not apply to single room occupancy units;

5 2. The minimum sanitation standards contained in the following sections:

6 a. 22.206.050.A. ~~((Section))~~Subsection 22.206.050.A shall only apply to a
7 single room occupancy unit if the unit has a bathroom as part of the unit;

8 b. 22.206.050.D. ~~((Section))~~Subsection 22.206.050.D shall only apply to a
9 single room occupancy unit if the unit has a kitchen;

10 c. 22.206.050.E;

11 d. 22.206.050.F;~~((and))~~

12 e. 22.206.050.G; and

13 f. If a housing unit shares a kitchen or bathroom, the shared kitchen or
14 bathroom shall be inspected as part of the unit inspection.

15 3. The minimum structural standards contained in section 22.206.060;

16 4. The minimum sheltering standards contained in section 22.206.070;

17 5. The minimum maintenance standards contained in ~~((section))~~subsection
18 22.206.080.A;

19 6. The minimum heating standards contained in section 22.206.090;

20 7. The minimum ventilation standards contained in section 22.206.100;

21 8. The minimum electrical standards contained in ~~((section))~~subsection
22 22.206.110.A;

23 9. The minimum standards for Emergency Escape Window and Doors contained
24 in ~~((section))~~subsection 22.206.130.J;

1 Section 9. Section 22.214.080 of the Seattle Municipal Code, adopted in Ordinance
2 124011, is amended as follows:

3 **22.214.080 Investigation and notice of violation**

4 A. If after an investigation the Director determines that the standards or requirements of
5 this Chapter 22.214 have been violated, the Director may issue a notice of violation to the
6 owners. The notice of violation shall state separately each standard or requirement violated; shall
7 state what corrective action, if any, is necessary to comply with the standards or requirements;
8 and shall set a reasonable time for compliance that shall generally not be longer than 30 days.
9 The ~~((30-day))~~ compliance period shall not be extended without a showing that the owner is
10 working in good faith and making substantial progress towards compliance.

11 B. When enforcing provisions of this Chapter ~~((related to property registration, as
12 provided for under sections 22.214.040.A, 22.214.040.B, 22.214.040.F, or 22.214.040.G))~~
13 22.214, the Director may issue warnings prior to issuing notices of violation.

14 * * *

15 Section 10. Section 22.214.085 of the Seattle Municipal Code, adopted in Ordinance
16 124011, is amended as follows:

17 **22.214.085 Civil enforcement~~((and penalties))~~**

18 ~~((A.—))~~In addition to any other remedy authorized by law or equity, civil actions to
19 enforce this Chapter 22.214 shall be brought exclusively in Seattle Municipal Court except as
20 otherwise required by law or court rule. The Director shall request in writing that the City
21 Attorney take enforcement action. The City Attorney shall, with the assistance of the Director,
22 take appropriate action to enforce this Chapter 22.214. In any civil action filed according to this
23 Chapter 22.214, the City has the burden of proving by a preponderance of the evidence that a
24 violation exists or existed. The issuance of the notice of violation is not itself evidence that a
25 violation exists.

1 ((~~B.— In addition to any other remedy available at law or in equity, the following~~
2 ~~penalties shall be imposed for violating this Chapter 22.214~~

3 1. ~~— Any person or entity violating or failing to comply with any requirement~~
4 ~~of this Chapter 22.214 or rule adopted under this Chapter 22.214 shall be subject to a cumulative~~
5 ~~civil penalty of \$150 per day for the first ten days the violation or failure to comply exists and~~
6 ~~\$500 per day for each day thereafter. A separate violation exists for each day a violation or~~
7 ~~failure to comply with any requirement of this Chapter 22.214 or rule adopted under this Chapter~~
8 ~~22.214 exists.~~

9 2. ~~— Any person or entity that knowingly submits or assists in submitting a~~
10 ~~falsified inspection report or certificate of compliance, or knowingly submits falsified~~
11 ~~information upon which a certificate of compliance is issued; shall be subject to a penalty of~~
12 ~~\$5,000 in addition to the penalties provided for in section 22.214.085.B.1.~~

13 3. ~~— Any property owner who fails to register a property, transfer a registration~~
14 ~~or renew a registration, as provided for under sections 22.214.040.A, 22.214.040.B,~~
15 ~~22.214.040F, or 22.214.040G shall be subject to a penalty of \$1,000; except when any property~~
16 ~~that has been subject to two or more notices of violation or one or more emergency orders of the~~
17 ~~Director for violating the standards in Chapters 22.200 through 22.208 of the Seattle Municipal~~
18 ~~Code where enforced compliance was achieved by the Department or the violation upheld in a~~
19 ~~final court decision the penalties of section 22.214.085.B.1 shall apply.))~~

20 Section 11. A new Section 22.214.086 of the Seattle Municipal Code, is added as
21 follows:

22 **Section 22.214.086 Penalties**

23 A. In addition to the remedies available according to Sections 22.214.080 and
24 22.214.085, and any other remedy available at law or in equity, the following penalties shall be
25 imposed for violating this Chapter 22.214:

1 1. Any person or entity violating or failing to comply with any requirement of this
2 Chapter 22.214 or rule adopted under this Chapter 22.214 shall be subject to a cumulative civil
3 penalty of \$150 per day for the first ten days the violation or failure to comply exists and \$500
4 per day for each day thereafter. A separate violation exists for each day there is a violation of or
5 failure to comply with any requirement of this Chapter 22.214 or rule adopted under this Chapter
6 22.214.

7 2. Any person or entity that knowingly submits or assists in submitting a falsified
8 certificate of compliance, or knowingly submits falsified information upon which a certificate of
9 compliance is issued, shall be subject to a penalty of \$5,000 in addition to the penalties provided
10 for in subsection 22.214.086.B.1.

11 B. When the Director has issued a notice of violation according to Section 22.214.080, a
12 property owner may, at any time prior to the initiation of a civil enforcement action, appeal to the
13 Director the notice of violation or the penalty imposed. The appeal shall be in writing.

14 C. After receiving an appeal, the Director shall review applicable rental registration
15 information in the Department's records, any additional information received from the property
16 owner, and if needed request clarifying information from the property owner or gather additional
17 information. After completing the review the Director may:

- 18 1. Sustain the notice of violation and penalty amount;
- 19 2. Withdraw the notice of violation;
- 20 3. Continue the review to a date certain for action or receipt of additional
21 information;
- 22 4. Modify or amend the notice of violation; or
- 23 5. Reduce the penalty amount.

24 D. Reductions in the penalty amount may be granted by the Director when compliance
25 with the provisions of this Chapter 22.214 has been achieved and a property owner can show
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1 good cause or factors that mitigate the violation. Factors that may be considered in reducing the
2 penalty include but are not limited to whether the violation was caused by the act or neglect of
3 another; or whether correction of the violation was commenced promptly prior to citation but
4 that full compliance was prevented by a condition or circumstance beyond the control of the
5 person cited.

6 E. Penalties collected as a result of a notice of violation, civil action, or through any other
7 remedy available at law or in equity shall be directed into the Rental Registration and Inspection
8 Ordinance Enforcement Account.

9 Section 12. A new Section 22.214.087 of the Seattle Municipal Code, is added as
10 follows:

11 **22.214.087 Rental Registration and Inspection Ordinance Enforcement Accounting Unit**

12 A restricted accounting unit designated as the “Rental Registration and Inspection
13 Ordinance Enforcement Account” is established in the Planning and Development Fund from
14 which account the Director is authorized to pay or reimburse the costs and expenses incurred for
15 notices of violation and civil actions initiated according to Sections 22.214.080 and 22.214.085.

16 Money from the following sources shall be paid into the Rental Registration and Inspection
17 Ordinance Enforcement Account:

18 A. Penalties collected according to Section 22.214.086 for enforcing this Chapter 22.214
19 according to the notice of violation process described in Section 22.214.080;

20 B. Penalties collected according to Section 22.214.086 for enforcing this Chapter 22.214
21 when a civil action has been initiated according to Section 22.214.085;

22 C. Other sums that may by ordinance be appropriated to or designated as revenue the
23 account; and

24 D. Other sums that may by gift, bequest or grant be deposited in the account.

25 * * *

1 Section 13. Section 16 of Ordinance 124011 is amended as follows:

2 **Section 16. Database.** The Department of Planning and Development shall develop and
3 regularly maintain a database, to be made available electronically, posted on the Department's
4 website, and made available for distribution to citizens or outside agencies, of the following
5 program elements.

6 A. The information disclosed in the required application materials listed in
7 ((section))subsection 22.214.040.G, provided that contact information need only be displayed for
8 the person or entity a tenant is to contact when requesting repairs to a rental housing unit be
9 made;

10 B. The address, name of property owner, and contact information for any property with a
11 registration that is subject to a denial or revocation under ((section))subsection 22.214.045;

12 C. The date and outcome of any inspection required under ((section))subsection
13 22.214.050.A; and

14 D. The information disclosed under the certificate of compliance in ((section))Subsection
15 22.214.050.F, provided that contact information need only be displayed for the person or entity a
16 tenant is to contact when requesting repairs to a rental housing unit be made.

17 Section 14. This ordinance shall take effect and be in force 30 days after its approval by
18 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
19 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

1 Passed by the City Council the ____ day of _____, 2013, and
2 signed by me in open session in authentication of its passage this
3 ____ day of _____, 2013.

4 _____
5 _____
6 President _____ of the City Council

7
8 Approved by me this ____ day of _____, 2013.

9
10 _____
11 Michael McGinn, Mayor

12
13 Filed by me this ____ day of _____, 2013.

14
15 _____
16 Monica Martinez Simmons, City Clerk

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
DPD	Jill Vanneman 733-9062	Melissa Lawrie 684-5805

Legislation Title:

AN ORDINANCE relating to rental registration and inspection; amending the title of Chapter 22.214 and Sections 22.214.010, 22.214.020, 22.214.030, 22.214.040, 22.214.045, 22.214.050, 22.214.060, 22.214.080, 22.214.085; amending previously non-codified section 16 of Ordinance 124011; and adding new sections 22.214.086 and 22.214.087.

Summary of the Legislation: This legislation addresses some unintended consequences and administrative details of the existing code, and simplifies operational processes for landlords and the City. Changes include:

- Changing the name of the program to Rental Registration and Inspection Ordinance (RRIO);
- Providing a procedure for the registration of one to four unit buildings over a two-year period. These units will be registered according to a schedule that is balanced geographically and by rough numbers of properties in each area;
- Clarifying that owners of multiple condominium units in a single building will be able to register as a single property with multiple rental units;
- Deleting the fee for transferring registration when a unit is sold as the fee would act as a disincentive to updating information;
- Changing from an annual to a periodic selection of properties for inspection;
- Changing the registration schedule so that newly constructed rental properties register prior to occupancy, eliminating the one year delay in registration; and
- Establishing a new restricted accounting unit designated as the “Rental Registration and Inspection Ordinance Enforcement Account.”
 - The account allows the Director to pay or reimburse the costs and expenses incurred for notices of violation and civil action, and
 - The “RRIO Enforcement Account” shall be the repository for certain penalties collected under Ch. 22.214.

Background:

Since the October 2012 adoption of the RRIO, the Department has been working on business processes to implement the RRIO and has discovered changes needed to be made for operational clarity and to fix unintended consequences. Between March and August, 2013 the Department held eight meetings with stakeholders representing tenants, landlords, and inspectors. The recommendations from that group were used to help develop the amendments to this ordinance. The stakeholders have approved the proposed amendments. The intent of the legislation is to

clarify certain administrative processes and to simplify the penalty process.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Appropriations: None.

Anticipated Revenue/Reimbursement Resulting from this Legislation: None.

(See note under subsection a of Other Implications section)

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

This legislation simplifies and consolidates the enforcement provisions in the RRIO. It ensures that failure to register a rental housing property is subject to the full enforcement provisions of the code, including penalties, but also allows and clarifies a process to mitigate enforcement penalties. The stakeholder group expressed a strong interest in having the costs of enforcement borne by the parties subject to enforcement, rather than by the program as a whole. In order to do that, a special account for RRIO enforcement penalties is created. This account would function in the same fashion as two other DPD accounts that receive funds collected through the DPD code compliance process: the "Housing and Abatement Account" and the "Emergency Relocation Assistance Account." See Seattle Municipal Code 22.202.050 and 22.202.060. The Department is authorized to spend monies from this account to pay the costs of enforcement undertaken through either the notice of violation process or through civil action in the courts.

DPD has no way of knowing how much money might be collected through the enforcement and penalty process. Enforcement, however, could be very costly if property owners fail to register their properties or comply with the inspection requirements. Costs of approximately \$2.8 million dollars are built into the current forecast for enforcement work during the first five years of the program. Any funds recovered through penalties will offset these costs and reduce future registration fees.

In the long term, DPD anticipates enforcement activity will drop off significantly as the program becomes a normal part of doing business in the City. Enforcement costs and penalties collected will decrease as this occurs.

b) What is the financial cost of not implementing the legislation?

The costs would have to be borne by the program as a whole, contrary to the expressed desire of those most affected, the stakeholders. Operational issues will remain that impede implementing the program as well as creating unintended consequences including: keeping the registration signature requirement by the registered owner that

would not allow online processing, and keeping the December 31, 2016 deadline for 1-4 unit buildings but not allow for a staggered schedule for registering these units that would avoid registration-program saturation. These unintended consequences, if not addressed, may cost property owners more money and make the program more costly and less efficient.

c) Does this legislation affect any departments besides the originating department?

No

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives? None

e) Is a public hearing required for this legislation? No

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

g) Does this legislation affect a piece of property? No

h) Other Issues: None

List attachments to the fiscal note below: