

Seattle Department of Construction and Inspections

2025 & 2026 Proposed Budget Overview

SEATTLE
CITY HALL

Seattle City Council Select Budget Committee



City of Seattle

Mayor Harrell's Priorities for SDCI:

- SDCI will continue to focus on **delivery of core services**.
- SDCI will **improve the customer journey** through the permitting process. This will be achieved through an organizational redesign that recognizes a new Customer Success and Pre-Application support team through consolidation of workgroups throughout the department into one new Division, with a key goal of helping infrequent customers.
- SDCI is **improving collaboration, communication and improve processes** by merging all land use, permitting, and engineering functions into a new Division with the intent to improve. SDCI will continue to focus on addressing the recommendations made in the October 2023 SDCI permitting process audit focused on the customer journey from permit intake, through initial plan review and corrections, to issuance.

Seattle Department of Construction and Inspections (SDCI)

*Our **vision**: To set the standard for awesome local government service.*

*Our **purpose**: Helping people build a safe, livable, and inclusive Seattle.*

*Our **values**: Equity, respect, quality, integrity, and service.*

SDCI administers City ordinances regulating building construction, the use of land, and housing. It supports key City priorities, including delivering essential City services and building safer, more just communities.

Seattle Department of Construction and Inspections (SDCI)

- ❖ SDCI is funded 91% by a variety of fees (permit fees) and 9% by General Fund resources.
- ❖ SDCI must demonstrate that its fees are set to recover no more than the cost of related services.
- ❖ State law restricts the use of permit fee revenue to pay for fee-supported goods/services.
- ❖ SDCI is realigning critical work that can appropriately shift to permit fees while realizing reductions with minimal departmental impact.

TOTAL BUDGET (\$000s)	2024 Adopted	2025 Proposed	2026 Proposed
General Fund	\$11,260	\$8,347	\$8,739
Payroll Expense Tax Fund	\$455	\$1,758	\$1,758
Permit Fees (C&I Fund)	\$105,952	\$111,305	\$116,450
FTE	482	451	451

Notable Reductions

1. Rightsizing Staffing in Response to Permits

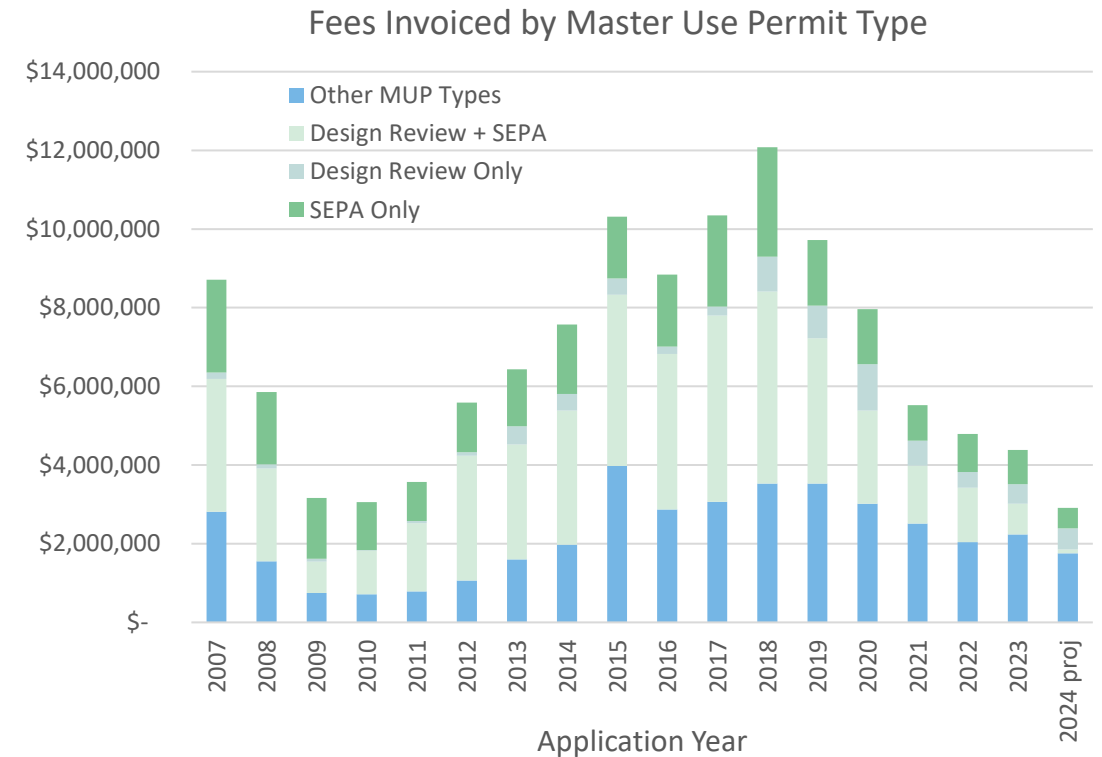
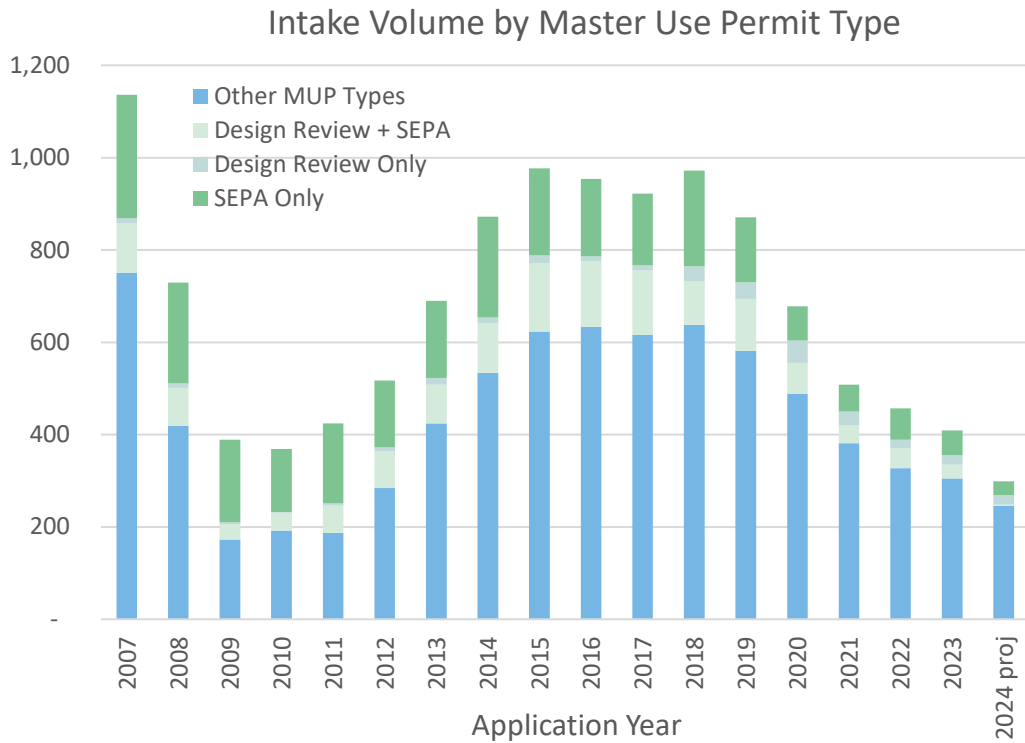
- SDCI has experienced a dramatic reduction in Master Use Permit (MUP) applications since 2019. **Permit timelines will not be affected** by the staff reductions because fewer projects will require a MUP, and the retained staff will be sufficient to review anticipated MUP volumes
- Due to economic pressures on permit revenue, SDCI is eliminating 20 FTE sunset positions on 12/31/24 (one year earlier than originally scheduled). SDCI is also defunding 9 FTE regular positions at the end of 2024. All of these are Land Use positions funded by permit fees.

TOTAL LAND USE FTEs	2024 Adopted	2025 Proposed	2026 Proposed
Regular FTE	81.0	72.0	72.0
Sunset FTE	20.0	0.0	0.0
Defund - Regular FTE	0.0	-9.0	-9.0
Reduction - Sunset FTE	0.0	-20.0	-20.0
Permit Fee Fund*		(\$5,017)	(\$5,195)

*The 2025 and 2026 amounts do not include overhead.

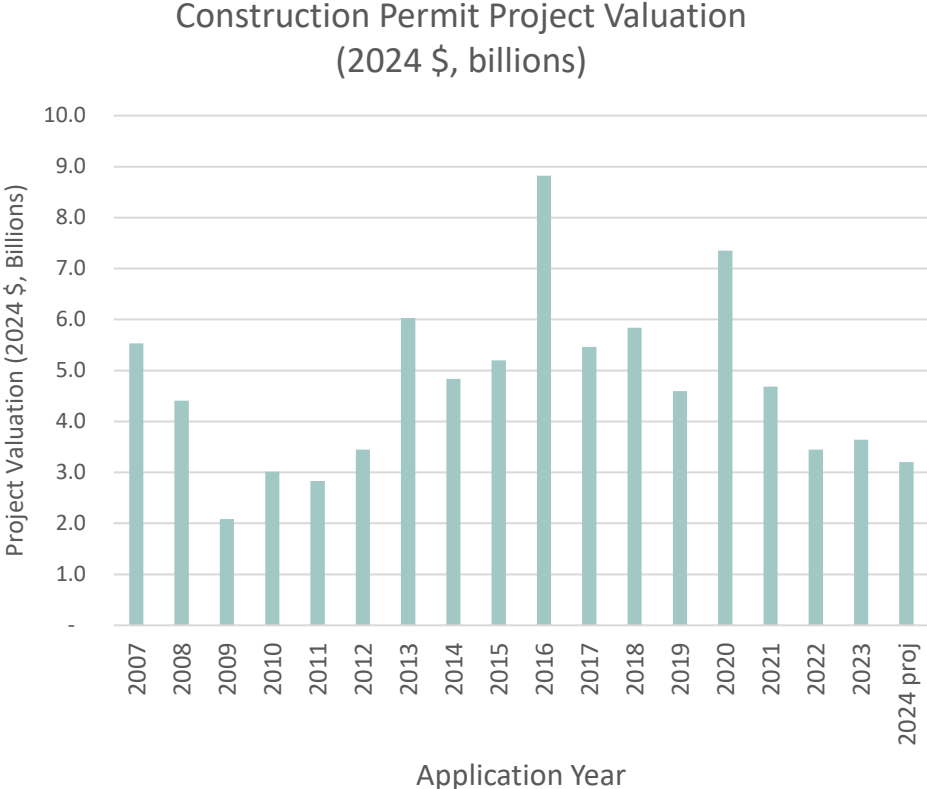
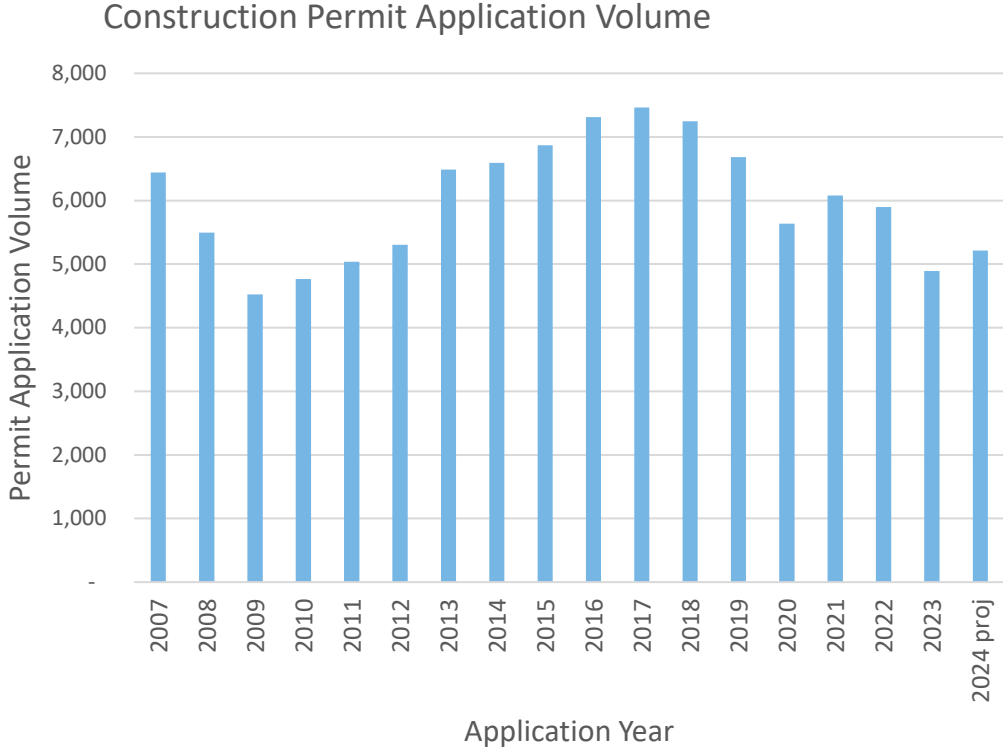
Master Use Permit Applications

2024 projected MUP application volumes are expected to be 65% lower than 2019 levels, while construction permit applications are projected to be 20% lower across the same period.



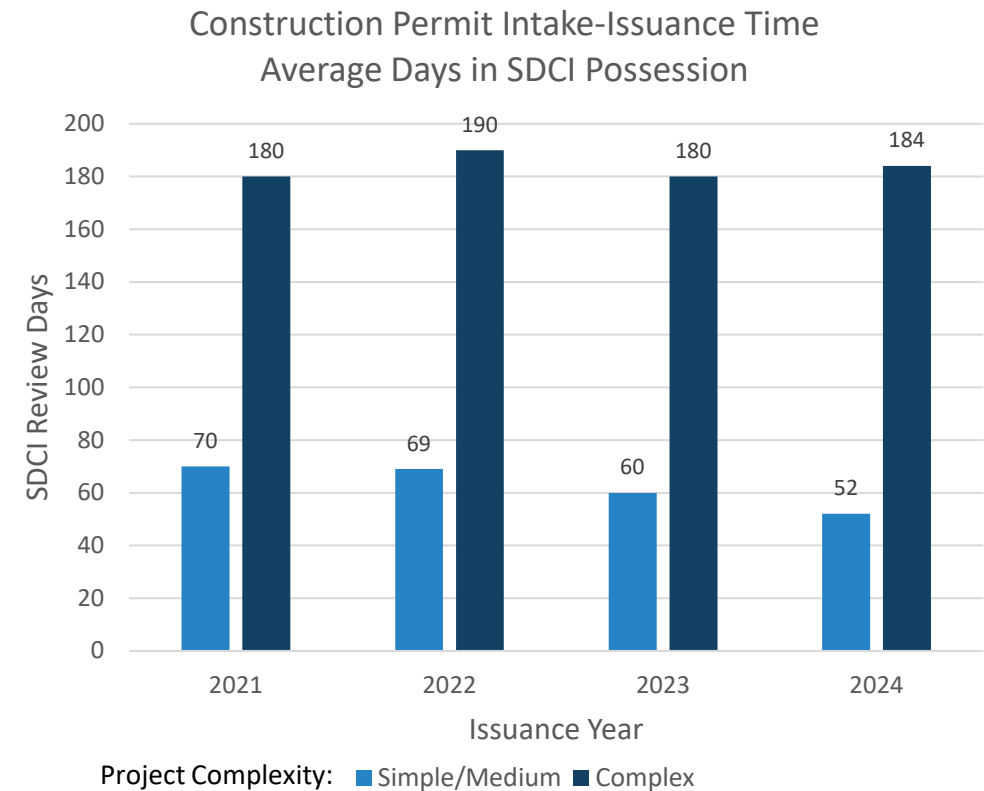
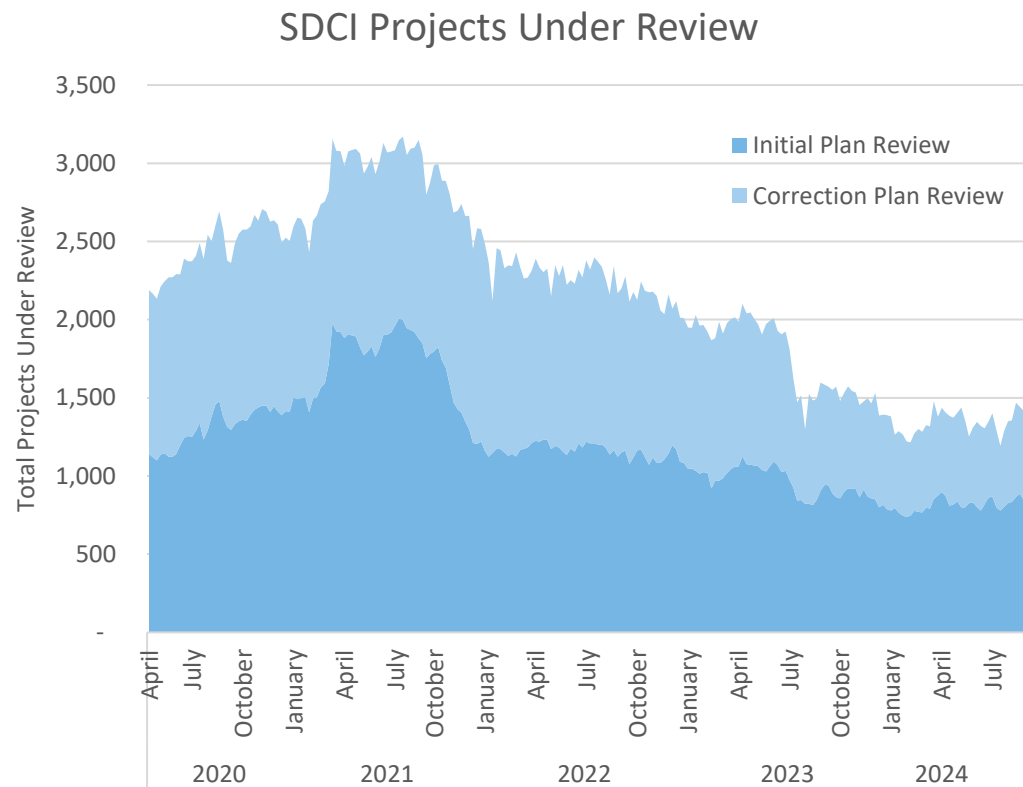
Construction Permit Applications

Construction permit application volumes have begun to rebound in 2024, however the project types are less complex with lower project value and lower fee revenue.



SDCI Plan Review Backlog

Throughout 2024, the total number of projects under review by SDCI has been hovering around a 5-year low. Permitting timelines have stabilized or improved during this timeframe.



Notable Reductions

2. Transfer Side Sewer Program back to SPU

- In 2003 Seattle Public Utilities delegated authority of the Side Sewer Code to SDCI.
- SPU has requested to transition the Side Sewer Program back to SPU including the transfer of 5.0 FTE from Inspections Services, 5.0 FTE from Land Use & Engineering Services.

CHANGE FROM 2024 ADOPTED (\$000s)	2025 Proposed	2026 Proposed
General Fund	--	--
Payroll Expense Tax Fund	--	--
Permit Fee Fund	(\$2,572)	(\$2,617)
FTE Transfer to SPU	-10.0	-10.0

Notable Additions

1. Enterprise Content Management (ECM) upgrade and migration

- The current infrastructure, including hardware, operating system, database, middleware, and Oracle ECM software, will no longer be supported after December 2026.

CHANGE FROM 2024 ADOPTED (\$000s)	2025 Proposed	2026 Proposed
General Fund	--	--
Payroll Expense Tax Fund	--	--
Permit Fee Fund	\$615	\$900
FTE	--	--

Notable Additions

2. 2025-2026 Fee Legislation

- The proposed fee revisions include inflationary adjustments of 6.5% in both 2025 and 2026 for most fees to keep up with the cost of doing business.
- This legislation includes an increase in value-based building development plan review and permit fees in 2025, further increases to inspection certificate fees for boiler, pressure vessel, and elevator equipment beyond 6.5% in both 2025 and 2026, and other revenue-neutral technical and language changes.

Questions?
