



SEATTLE CITY COUNCIL

Land Use Committee

Agenda

Wednesday, November 29, 2023

2:00 PM

Special Meeting

Council Chamber, City Hall
600 4th Avenue
Seattle, WA 98104

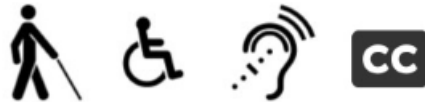
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Tammy J. Morales, Vice-Chair
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Sara Nelson, Member
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Chair Info: 206-684-8806; Dan.Strauss@seattle.gov

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Meeting Location:

Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

Committee Website:

<https://www.seattle.gov/council/committees/land-use>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

Members of the public may register for remote or in-person Public Comment to address the Council. Details on how to provide Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at <http://www.seattle.gov/council/committees/public-comment>. Online registration to speak will begin two hours before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

In-Person Public Comment - Register to speak on the Public Comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Pursuant to Council Rule VI.10., this Committee meeting will broadcast members of the public in Council Chambers during the Public Comment period.

Submit written comments to Councilmember Strauss at Dan.Strauss@seattle.gov

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. Audit on the Construction Permitting Process

Supporting Documents: [Permit Audit Final Report](#)

Briefing and Discussion (60 minutes)

Presenters: David Jones, Andrew Higgins, and Melissa Alderson,
Office of City Auditor

- 2. [CB 120674](#) AN ORDINANCE relating to land use and zoning; amending Section 23.76.029 of the Seattle Municipal Code to allow applicants for or holders of certain Master Use Permits approved for issuance between March 1, 2020 and December 31, 2026 to have their Master Use Permits expire in six years; and making other minor amendments to the procedure for expiration and renewal of Master Use Permits.**

Supporting Documents: [Summary and Fiscal Note](#)
[Director's Report](#)
[Presentation \(11/29/23\)](#)
[Central Staff Memo \(11/29/23\)](#)

Briefing and Discussion (30 minutes)

Presenter: Mike Podowski, Seattle Department of Construction and Inspections (SDCI)

3. [CB 120675](#) **AN ORDINANCE** relating to land use and zoning; amending Section 23.50A.008 of the Seattle Municipal Code to modify the maximum size of use limit for medical services uses in the portion of the Duwamish Manufacturing Industrial Center (MIC) east of Airport Way S.

Supporting Documents:

[Summary and Fiscal Note](#)

[Director's Report](#)

[Central Staff Memo \(11/29/23\)](#)

[Presentation \(11/29/23\)](#)

Briefing and Discussion (30 minutes)

Presenter: Jim Holmes, Office of Planning and Community Development (OPCD)

E. Adjournment



Legislation Text

File #: Inf 2358, **Version:** 1

City's Construction Permitting Needs More Customer Focus and Consistency

October 18, 2023

Melissa Alderson

Andrew Scoggin

David G. Jones, City Auditor



Seattle Office of City Auditor

City's Construction Permitting Needs More Customer Focus and Consistency

Report Highlights

Background

In this audit, we reviewed the City of Seattle's (City) construction permitting process from the intake stage through corrections. The Seattle Department of Construction and Inspections (SDCI) is responsible for reviewing and issuing construction permits, though other City departments are often involved as well. In 2022, SDCI issued about 8,800 construction permits.

What We Found

We identified issues in the following areas:

- **Reinforce a customer focus:** SDCI does not actively track total permit review time, which is an important metric to customers. The City also lacks a process to routinely collect customer feedback.
- **Promote transparency and fairness:** We found inconsistencies and opaqueness in how construction permit applications are prioritized. Some SDCI employees shared concerns about fairness and ethics.
- **Strengthen a Citywide approach:** The City has engaged in permitting improvement efforts, but not all identified changes have been made. Additionally, there is not a unified approach to funding staff, nor an effective strategy for supporting permitting software.
- **Standardize review comments:** We found inconsistencies in how corrections are issued and evaluated for quality.

Recommendations

We make 11 recommendations to address the issues above. We recommend that SDCI improve permit timeliness tracking and use customer feedback to make process improvements. SDCI should also improve the permit prioritization process and evaluate its internal ethical culture. The City should act on permitting recommendations from past improvement efforts, re-evaluate department funding structures for permit staff, and develop a strategy for supporting permitting software. Finally, we recommend SDCI develop a standard process for performing and evaluating permit corrections.

Department Response

SDCI generally concurred with the findings and recommendations (see Appendix A).



WHY WE DID THIS AUDIT

This audit was conducted in response to Seattle City Councilmember Dan Strauss' request for our office to review the construction permitting process. Specifically, we reviewed:

- Process clarity, consistency, and timeliness
- The use of information technology tools
- Race and Social Justice Initiative impacts

HOW WE DID THIS AUDIT

To accomplish the audit's objectives, we:

- Analyzed construction permit application data
- Interviewed City officials who are involved in the permitting process
- Surveyed and interviewed permit applicants
- Researched construction permitting best practices

Seattle Office of City Auditor
David G. Jones, City Auditor
www.seattle.gov/cityauditor

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INTRODUCTION

Audit Overview

Seattle City Councilmember Dan Strauss requested that we examine the City of Seattle's (City) process for reviewing construction permits. Our objectives were to answer the following questions:

- Are there opportunities to improve the clarity, consistency, and timeliness of the permitting process?
- Is the City using the full potential of its permitting information technology tools?
- Is the City's permitting process contributing to its Race and Social Justice Initiative (RSJI) goals?

The scope for this audit included construction permit applications that were under review in 2021 and 2022. The Seattle Department of Construction and Inspections generally concurred with the report's findings and recommendations (see Appendix A). The audit team for this project included Melissa Alderson and Andrew Scoggin, with contributions from Miroslava Meza.

Background

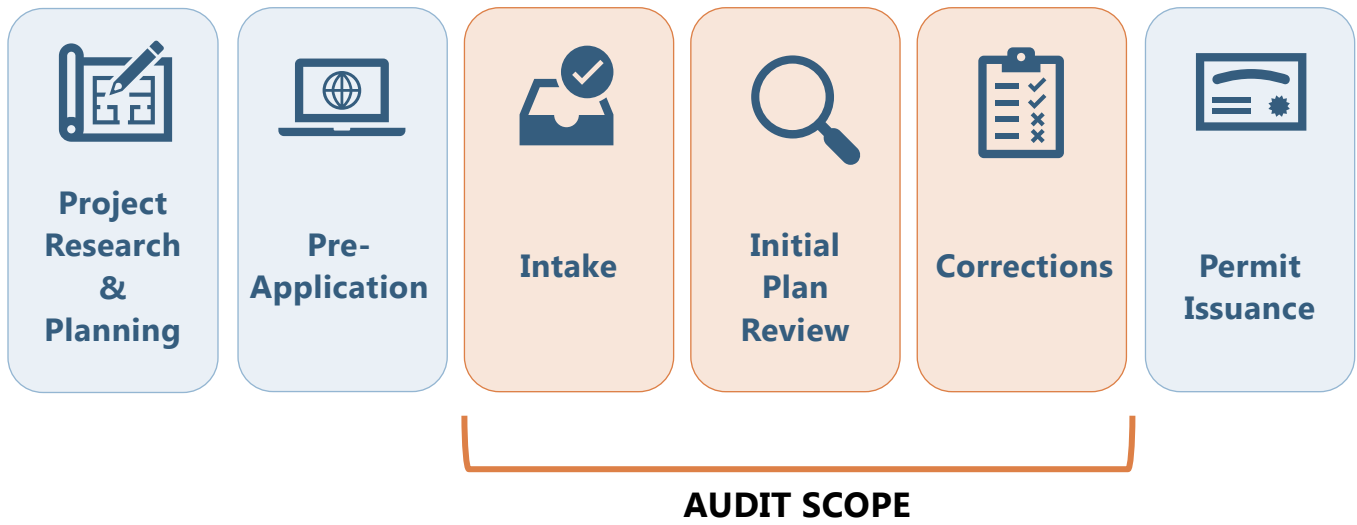
The Seattle Department of Construction and Inspections (SDCI) reviews and approves construction permits for the City of Seattle.

SDCI is responsible for regulating and ensuring compliance with building and land use codes and policies. Construction permits are one type of permit that SDCI issues. Construction permits can be for new buildings or additions and alterations and can require a detailed plan review or a more abbreviated subject-to-field-inspection review. SDCI has issued about 8,800 construction permits in 2022.

The permitting process takes multiple steps and can involve other City departments.

Customers first apply to SDCI for a pre-application and request an online intake appointment, during which the application is reviewed for overall completeness. Once the intake is completed and approved, SDCI assigns the application to the relevant review teams, which provide corrections to the applicant as needed to ensure compliance with building code and all other applicable codes and ordinances. Other City departments that can review and approve aspects of construction permits include Seattle City Light, Seattle Public Utilities, and the Transportation, Fire, Neighborhoods, Housing, and Parks and Recreation departments. SDCI issues the permit once the applicant has addressed all corrections and paid the final fees. Our audit focuses on the construction permitting process from the intake stage through corrections (see Exhibit 1).

Exhibit 1: We examined the construction permitting process from intake through corrections



Source: Seattle Office of City Auditor.

REINFORCE A CUSTOMER FOCUS

Section Summary

In this section, we identify ways the Seattle Department of Construction and Inspections (SDCI) can improve customers' experience with the construction permitting process. We found that SDCI does not actively track total permit review time, which is an important metric to customers. We also found that the City lacks a process to routinely collect customer feedback on the permitting process. This means that the full extent of permitting barriers is unknown and cannot be addressed. We make recommendations to improve timeliness tracking and use customer feedback to make process improvements.

SDCI should reevaluate its construction permit tracking metrics and reporting methods to reduce review times

SDCI's current tracking metrics focus heavily on one part of the construction permit review process. SDCI's department-level target goals are only for applications' first-round review. The length of subsequent rounds is not tracked at the department level. As a result, SDCI focuses mostly on how long this first review takes instead of overall review time. We observed it was difficult to get accurate, up-to-date publicly available information on how long construction permits take to review and approve. Customers also pointed to this as an issue and requested more transparency on permit review times.

There is a lack of incentive for reviewers to consider the overall timeliness of permit applications. Reviewers are assigned due dates that dictate each round of review should take a certain number of days. However, SDCI does not actively track total review time for a permit while it is under review. Reviewers are held accountable for the length of individual review rounds but not overall permit application timeliness.

"Gaining transparency into each reviewer's queue would be a huge help, allowing design teams to better plan workflow/next steps."

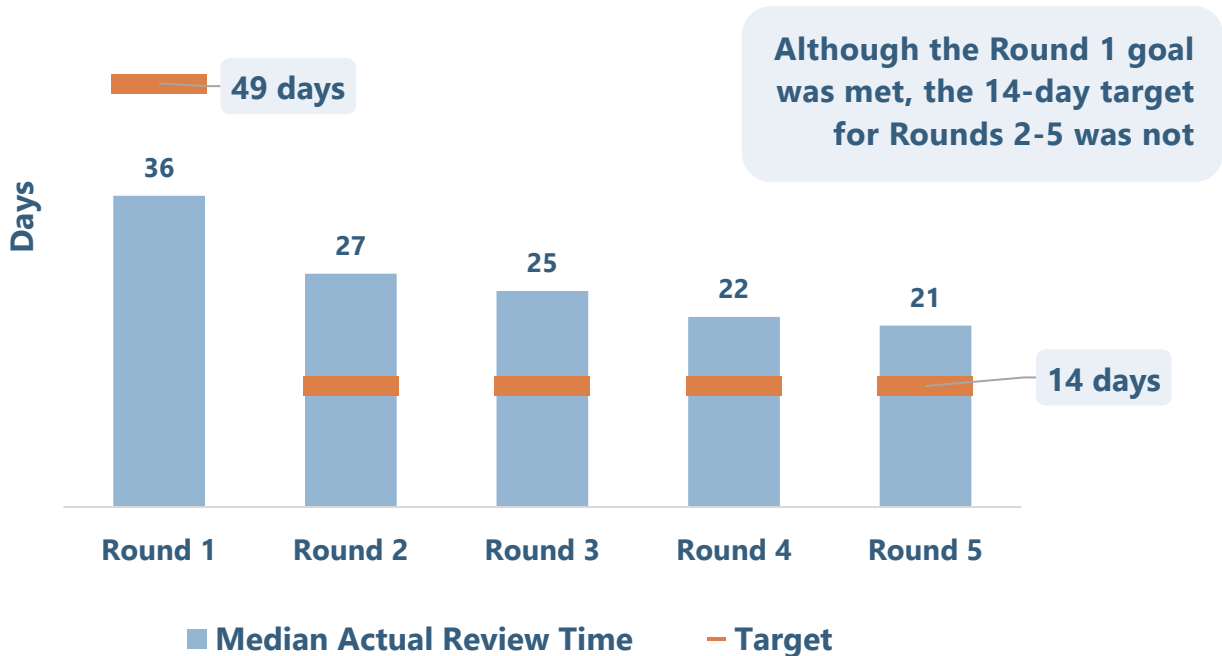
- frequent permit applicant

There are other challenges related to assigning and tracking work that may impact timeliness. After SDCI approves the intake of a permit application, supervisors assign the relevant staff to review the project. Once assigned, reviewers have access to the project in their online dashboard. However, SDCI does not consistently assign all reviewers to a project at the same time. We observed and SDCI employees said that sometimes staff are not assigned to review a permit application until near or past the target review date. SDCI supervisors also told us that they lack effective technology tools to track what reviewers are working on and monitor progress.

The City is not consistently meeting targets for the time it takes to review permits. We analyzed how long the City spent reviewing construction permit applications in 2021 and 2022. Among

applications with at least one review round completed, the median application spent 50 days in City review. But at least 10 percent of applications took at least 145 days, which is beyond the standard 120-day deadline specified by [state law](#). Also, subsequent rounds of review beyond the first round do not appear to meet internal targets that the City sets for reviewers. For example, the median for a second-round review is nearly double the target (14-day target versus 27-day median). See Exhibit 2 for a comparison of internal review targets and actual review time by round.

Exhibit 2: City reviews beyond Round 1 do not meet internal targets



Source: Office of City Auditor analysis of Seattle construction permit data, 2021-2022

Due to the complexity of and exemptions within state law, we could not determine how often the City is out of compliance with required timelines. According to SDCI management, [a new state law](#) taking effect in 2025 will exempt construction permits from existing law, including required timelines.

Some applicants say adding time to the review process has negative impacts on their projects. We conducted a targeted survey of applicants with a high number of correction rounds to get their feedback. Out of 117 applicants we attempted to contact, 38 responded—82 percent said the timeline to get their permit was not reasonable. They said the timing of their applications had the following impacts:

- Increased costs or lost revenue

- Higher rents
- Difficulty working with lenders and raising money
- Abandoned projects
- Contractors losing or abandoning work or being motivated to "proceed with unauthorized work"

Recommendation 1

The Seattle Department of Construction and Inspections (SDCI) should develop metrics by construction permit type for total review time and a tracking process to support meeting those metrics. The metrics and SDCI's progress on meeting those metrics, along with the methodology and notices of any data limitations, should be displayed on SDCI's website and updated regularly. The data should meet the needs and expectations of customers and include other City departments' review times. SDCI should also consider whether to publish its review queue on its website.

SDCI lacks a systematic process to get customer feedback, which means that customers' needs may not be met

The City lacks a method to routinely collect customer feedback on the permitting process. SDCI's vision from their strategic plan is "to set the standard for awesome local government service." However, they do not have performance measures to evaluate how well they are achieving this goal and meeting customers' expectations over time.

Customers are frustrated with aspects of the permitting process. In our targeted survey of applicants, 66 percent (25 of 38) said they were dissatisfied with the process. Also, 61 percent said it was not clear who to contact in the City if they had a question, and 42 percent said reviewers did not answer their questions timely when they did contact them (Exhibit 3). See Appendix C for the full summary results of the survey.

Exhibit 3: Respondents to targeted survey were unhappy with process and communication



Source: Seattle Office of City Auditor analysis of applicant survey results.

"We had to involve an attorney, which helped as they had contacts to straight sources and were able to get answers"

- survey respondent

A 2020 study on the City's public permitting portal showed several areas for improvement.

Customers use the City's online [Seattle Services Portal](#) to apply for construction permits. The study evaluated how easy the portal is to use by asking participants to complete tasks and rate their experience. Their satisfaction with the portal averaged 5.5 out of 10. Participants said the portal was confusing and lacked user guidance.

Customer service, review inconsistencies, and permit timeliness are common issues for applicants.

We interviewed frequent permit applicants and asked about their experience with the construction permitting process. Many cited poor customer service as a common issue and noted it was difficult to reach permit reviewers by phone. Another applicant concern was permit reviewers being inconsistent in how they reviewed applications, both within SDCI and across City departments. Applicants said that it appeared that not all departments were following the same process. Permit timeliness was also a frustration, and applicants expressed desire for more transparency and consistency around SDCI's review timelines.

The City's Racial Equity Toolkit can uncover equity impacts. The City's Race and Social Justice Initiative (RSJI) [Racial Equity Toolkit](#) (RET) process requires that departments involve stakeholders in their development, implementation, and evaluation of programs. The RET directs departments to, "Gather information from community and staff on how the issue benefits or burdens the community in terms of racial equity."

A RET is one of the primary ways the City identifies and examines potential equity issues of its programs. Ideally, City departments should complete the RET before they implement a new program, so that staff can be aware of and mitigate any unintended impacts. The City did not complete a RET for the implementation of their permitting software system, Accela. Further, we could not find evidence that SDCI has completed a RET related to reviewing construction permits or identified [racial equity actions](#) that are specific to the permitting process. Representatives from SDCI and the Seattle Office for Civil Rights told us there is value in completing a RET because process barriers likely exist, and improvements to the permitting process are still possible.

The full extent of permitting barriers is unknown and therefore cannot be addressed.

The permitting process is complex and favors experienced customers and large developers. This is because experienced customers have familiarity and in-depth knowledge of the process, and large developers have specialized expertise and resources to support their projects. First-time applicants, homeowners, and small businesses may have more difficulty navigating the process and getting their permit approved when they need it. In our review of

"I cannot imagine what it would be like for someone who is new to the system or doesn't know technology or possibly has English as a second or third language. Impossible to navigate."

- frequent permit applicant

construction permit application guidance, we found some potential barriers that some customers may face:

- Customers must create and submit construction permit applications online using software that may be difficult for some users to learn and navigate.
- The City does not offer in-person appointments for permit customers to meet with City staff. This limits customers' options to communicate with City permit reviewers to methods that require a computer and internet connection, which may create accessibility issues.
- Some of SDCI's online resources, including their "[Tips](#)" sheets, are only in English.

Without direct feedback from customers on the challenges they face, the City cannot evaluate the performance of the permitting process from the customers' perspective and make improvements to address equity issues.

Recommendation 2

The Seattle Department of Construction and Inspections (SDCI) should address potential permitting barriers and equity concerns by incorporating the City's Race and Social Justice Initiative (RSJI) values into the permitting process. This should involve completing a Racial Equity Toolkit (RET) for the entire permitting process or several RETs for specific parts of the process. SDCI should consult with the Seattle Office for Civil Rights for RET guidance and support and with other City departments that are involved in permitting or have a stakeholder interest.

In the RET, SDCI should evaluate the accessibility of their current process and tools, including considering the needs of customers who lack computer skills, people with disabilities, and people with limited English proficiency, among others. The RET should also include a stakeholder analysis to determine who is impacted by the permitting process and from whom SDCI should get regular feedback. The City should implement the recommendations that result from this effort.

Recommendation 3

The Seattle Department of Construction and Inspections (SDCI) should develop a strategic customer engagement program for their construction permitting process, which could include:

- **Establishing customer service and satisfaction baseline data.**
- **Defining performance measures that relate to SDCI's strategic goals.**
- **A process to routinely monitor performance measures.**
- **Defined roles for SDCI employees who are responsible for implementing process improvements.**

PROMOTE TRANSPARENCY AND FAIRNESS

Section Summary

In this section, we discuss how the City can improve the transparency and fairness of the construction permitting process. We found inconsistencies in how construction permit applications are prioritized. Permit prioritization criteria are not made public, which means not all customers have knowledge of how their project should be prioritized. Some employees within the Seattle Department of Construction and Inspections (SDCI) expressed concerns and confusion about the ethical culture surrounding the construction permitting process. We make recommendations to improve the permit prioritization process and for SDCI to evaluate its ethical culture.

The City is inconsistent and opaque in how it prioritizes permit applications, which may result in unfair treatment of customers

SDCI has internal guidelines for how it prioritizes construction permit applications. SDCI's Plan Review Priorities Guideline is an internal document that SDCI intake staff use to assign permit applications a priority ranking. The stated intent is to prioritize certain permit applications "to promote the health, safety, and welfare and to serve special needs." Examples of projects that are supposed to be prioritized include:

- Life safety emergencies
- Projects with serious anomalous issues
- Affordable housing
- Emergency housing shelters
- Projects identified by the SDCI director

Some of these priority rankings have specified review timelines and some do not. We noted that the Plan Review Priorities Guideline does not give priority to projects relating to medical or disability accommodations. SDCI may want to consider reviewing the prioritization criteria to ensure it is meeting the department's intent of serving special needs.

The City does not prioritize construction permit applications in a consistent and transparent way. We found that not all City departments were aware of SDCI's prioritization criteria for permit applications. This means that the permit reviewers across the City may be prioritizing permit applications differently. Frequent permit applicants we spoke with also communicated this concern. For example, the Housing Development Consortium, an organization that advocates for affordable housing in King County, told us that some

City departments do not appear to prioritize affordable housing project permits. Because of how the City reviews and approves permit applications, the prioritization (or lack thereof) of just one City employee can impact the timeliness of when the permit is issued. Consistent prioritization across all City departments is needed for customers to experience the benefit of the prioritization.

Beyond the initial project prioritization, we found inconsistencies in how SDCI staff prioritize the permit applications assigned to them. In interviews, staff noted using different criteria to decide which projects to work on. For example, some reviewers prioritize permit applications for which they are the last reviewer before the permit can be issued. Other reviewers work on projects strictly in priority order.

"[SDCI Manager] is great because we can call them, and they can push things through."

- frequent permit applicant

Some reviewers told us that they will prioritize a project if a supervisor directs them to or when a customer proactively contacts them to ask about status. In acknowledgment of potential fairness concerns raised by such communications from permit applicants, some SDCI employees told us they would like to have more department guidance on how to prioritize their work. Some SDCI employees also expressed concern about certain groups and people in positions of power appearing to have unfair access to SDCI staff to advocate for their projects.

The City's permitting software was not designed to support efficient prioritization of permit applications. SDCI supervisors manually assign permit applications to reviewers, and these assignments show up in the reviewer's workflow screen in the City's permitting software system. The workflow screen lacks important fields that reviewers need to decide what to work on, such as priority number and how long a permit application has been on their dashboard. As a workaround, employees can run a business report showing more detailed information. However, this is a static, point-in-time report and was not designed to be a long-term solution.

"How would you know if you haven't done it before?"

- frequent permit applicant

SDCI does not share their priority criteria with the public. SDCI intake staff decide the priority level based on how projects appear. This means that it is up to the customer to include enough information in their permit application so that SDCI staff can decide what priority a project should receive. Because SDCI does not make their Plan Review Priorities Guideline public, not all customers have knowledge of the prioritization criteria. Thus, some customers may not get their project prioritized when it should be.

The City's current permit review process allows prioritization of permit applications in a way that favors experienced customers.

"The squeaky wheel gets the grease. If I am complaining to [SDCI Manager], I can get mine faster."

- frequent permit applicant

Frequent customers we spoke with said they were somewhat aware of SDCI's prioritization criteria, and some said they used that to their advantage, though others said they saw no value. Frequent customers also noted they will contact permit reviewers or SDCI management directly to bring attention to their permit application and get it processed faster. SDCI facilitates a monthly meeting with select members of the Master Builders Association of Snohomish and King Counties, giving their members direct access to City permitting staff to discuss and advocate for their projects and specific interests. The absence of transparent and consistently applied prioritization criteria creates accountability concerns and gives an advantage to applicants with more experience and resources.

Recommendation 4

The Seattle Department of Construction and Inspections (SDCI) should solidify and make more transparent how it prioritizes construction permit applications for review. This could include:

- **Creating a policy and providing training on how permit reviewers should prioritize projects assigned to them**
- **Improving the workflow screen in Accela to make the priority of projects clearer**
- **Reviewing and making updates to the Plan Review Priorities Guideline document (for example, considering the priority of medical or disability accommodations) and making it publicly available**
- **Creating a method to document when and why the prioritization process is circumvented**

SDCI should coordinate with other City departments as needed to implement this recommendation.

SDCI could do more to ensure a positive ethical culture

Some SDCI employees expressed concerns and confusion about the ethical culture surrounding the construction permitting process. We interviewed employees involved in reviewing permit applications to learn how they approach their work. About 30 percent of the SDCI employees we interviewed commented on the ethical environment of the department, with several themes emerging:

- The City being influenced to make permit process changes by and for big developers, in particular the Master Builders Association of King and Snohomish Counties, which some interviewed employees believed might not be in the best interest of all customers
- SDCI managers and directors with secondary employment in the construction or development industry and having this, in the opinion of some interviewed employees, possibly be a conflict of interest for their City employment

- Supervisors or managers directing staff to prioritize some projects over others, which led some interviewed staff to question the rationale for the change in priorities
- Employees having close relatives within the department, which led some interviewed employees to question whether those relationships helped those employees advance in their careers

As part of our audit, we did not investigate these concerns to the extent necessary to substantiate them. We met with the Director of the Ethics and Elections Commission, who told us that they had not received any complaints about the permitting process in the past three years.

“City employees should recognize that public service is a sacred trust and should strive to live up to the highest ethical standards.”

*Seattle Municipal Code Chapter
4.16 – Code of Ethics*

The City's Code of Ethics sets the “minimum standard” for employees to follow. One of the purposes of the Code of Ethics is to strengthen public confidence in the integrity of City government. The Code of Ethics emphasizes that employees should do their work impartially, without conflict between their duties to the public and their personal interests. The Code provides general guidance applicable to all City employees and does not go into detail about all potential ethical scenarios that could arise. Thus, the Seattle Ethics and Elections Commission (SEEC) refers to the Code as the “minimum standard” and recommends consulting with them on specific situations.

The City can provide transparency to the public by disclosing the appearance of conflicts of interest. This allows City leaders and the public to weigh in on the appropriateness of a situation and avoid potentially unethical situations. The SEEC provides two forms to assist with such disclosure. Seattle Municipal Code 4.16.080 requires certain City employees to disclose their financial interests annually through the Financial Interest Statement process. The Code mentions several City positions by name and leaves it up to department heads to identify additional employees who should complete the form.

We asked the SEEC to verify which SDCI managers and directors in their permitting divisions completed a Financial Interest Statement form for 2022. SEEC reported to us that over half of the managers and one director had not completed the form. SDCI should examine who completes Financial Interest Statement forms to determine if there is a reason for this inconsistency.

The SEEC also has a form for employees to disclose the appearance of conflict or impaired judgment for non-financial matters. Department management review the form, determine what action to take, and send a copy to the SEEC. SDCI could consider using this form and process or adopting their own that is specific to their department.

"The oversight body and management reinforce the commitment to doing what is right, not just maintaining a minimum level of performance necessary."

- United States Government Accountability Office's Standards for Internal Control, standard 1.04

SDCI could improve internal guidance and training on the department's expectations related to ethics.

We reviewed SDCI's Workplace Expectations for Employees document and found that it refers to the City's Code of Ethics but does not offer ethics guidance that is specific to SDCI employees and the kind of work they do. SDCI's Workplace Expectations for Supervisors document does not mention ethics. We also asked SDCI about the ethics training they provided to employees. SDCI told us that, before 2020, the SEEC provided general ethics training to SDCI employees, but training was paused during the COVID-19 pandemic. However, neither SDCI nor the SEEC were able to give us details, such as who attended the training, when it last occurred, and the specific content of the training.

Management has a responsibility to create, communicate, and model a positive ethical environment.

A positive ethical environment contributes to a positive workplace culture, which in turn impacts all aspects of an organization. Best practices state that management should establish clear expectations on appropriate ethical behavior, model that behavior to staff, and hold employees accountable. Effective and periodic training that is scenario-based and specific to employees' work environment should also be regularly provided.

Recommendation 5

The Seattle Department of Construction and Inspections (SDCI) should evaluate its ethical culture and make any needed improvements. SDCI should consider the following:

- **Periodic evaluations of the workplace culture and ethical environment through anonymous employee surveys**
- **An internal ethics policy to address situations that are unique to SDCI's work environment**
- **Ongoing ethics training that is tailored to SDCI's work environment and potential ethical scenarios employees may encounter**
- **A clear process for employees to anonymously report ethical concerns**
- **Leadership's demonstrated commitment to strong ethical values through their directives, attitudes, and behavior (also known as "tone at the top")**
- **Reviewing and determining which employees should complete the City's Financial Interest Statement form based on their responsibilities**

STRENGTHEN CITYWIDE APPROACH

Section Summary

In this section, we discuss challenges related to having multiple departments involved in permit review and make recommendations for improving collaboration. We found that while the City has engaged in many permitting improvement efforts, not all the identified changes have been made. This is in part because the City lacks a way to manage and follow through on improvements, especially when they span departments. Additionally, there is not a unified Citywide approach to funding staff who review permits. This means that some departments occasionally experience staffing challenges as permit demand fluctuates. Finally, we found that the City does not have an effective strategy for how to support technology essential to the permitting process.

The City has not followed through on all construction permitting improvement efforts, diminishing their impact

The City has engaged in multiple efforts to improve the construction permitting process over the years. Some of these efforts resulted in completed reports with recommendations. We reviewed seven consultant reports, published between 2012 and 2022, that the City paid for to recommend improvements to various parts of the construction permitting process. We also identified six active internal City-led projects and workgroups, including this audit, that seek to improve permitting.

The City has not implemented many of the recommendations from past consultant reports. This means that the City is not realizing the full benefit from past work and may be missing opportunities to make meaningful improvements for permit applicants. Below are some examples of outstanding recommendations:

- A 2020 consultant report on the usability of the Seattle Services Portal had several recommendations to improve system use. However, the City deprioritized those improvement efforts, citing lack of resources.
- A 2015 consultant report on SDCI's quality management system recommended they conduct audits on the permit corrections that reviewers issue to ensure quality and adherence to department standards; however, these correction letter audits are not consistently performed.
- A 2013 consultant report on Seattle City Light's permit review functions recommended four full-time employees to do plan review. However, they have just one.

The City lacks a system to manage and follow through on construction permitting improvement efforts. Because permit review involves many City departments, recommendations for improvement should be compiled and evaluated at the Citywide level. We found that this is not occurring. In addition, there is not an owner who is responsible for and empowered to implement the recommendations when they fall across department lines. This means there is no accountability system to ensure recommendations are implemented and improvements are made.

Customers frequently note City coordination as a major permitting issue. Many construction permits require multiple City departments to review and approve certain aspects of the application. For example, Seattle City Light is involved in reviewing requests for new electrical service, and the Seattle Fire Department reviews a building's fire alarm system. We interviewed and surveyed permit applicants about their experience with City permitting; a common complaint was the siloed nature of the process and inconsistencies across City departments. Customers told us that departments follow different processes and do not appear to communicate with one another. The design of the City's permit review process puts responsibility on SDCI as the process owner, without full control of the other City departments involved. This structure has, in part, created a disjointed and frustrating experience for customers. One active improvement effort, the Mayor's Housing Subcabinet Permitting Workgroup, has representatives from all City departments involved in permitting and can be a great opportunity to resolve some of these coordination issues.

Recommendation 6

The Mayor's Office should lead a coordinated effort to document all recommendations related to the construction permitting process from consultant reports and internal improvement efforts. City departments should then evaluate each recommendation to determine whether they intend to implement it and why. The City should prioritize, assign an owner, and estimate a due date for each recommendation that is selected for implementation. Recommendations should be tracked in a central, publicly accessible location such as a dashboard to promote accountability.

Different funding mechanisms hinder the City's ability to respond to changes in permit demand

SDCI owns the permitting process, but other City departments are critical to the timeliness of permit reviews. Different departments have different staffing models and varying resource levels assigned to construction permit review. For example, Seattle City Light has one reviewer dedicated to permit review. Permit applicants have communicated concern with the timeliness of reviews completed by other departments. As part of an ongoing internal improvement effort coordinated by the Mayor's Office, the City is building a data tool that may make it easier to track which departments are taking longer to complete their reviews.

The City's permitting process operates at the department level, meaning there is not a unified Citywide approach to funding staff. This leaves each department to assign resources and make process changes in a vacuum that does not center the overall customer experience. SDCI uses permit fees to keep a certain number of core permit reviewers on staff to pivot quickly to changes in permit demand. They also have contingent budget authority to add temporary staff when demand is high.

Other City departments, such as the Seattle Fire Department, use the City's general fund and are limited in their response to fluctuations in demand. Fire Department review staff dwindled from eight to four employees after budget cuts in 2020. SDCI management said the Fire Department was a recent bottleneck holding up the permit review process. State law limits the ways the City can spend the revenue it earns from fees. The Fire Department is exploring how it can set aside extra funds to cope with budget reductions, similar to SDCI.

Recommendation 7

The City Budget Office, in collaboration with other City departments, should evaluate the governance and funding structures of departments that review construction permit applications and determine if changes can be made to better position the City to quickly respond to fluctuations in permit demand while meeting customer expectations.

The City needs a better strategy to address IT needs in construction permitting

The City's permitting portal has experienced issues since its launch in 2018, weighing down the process for customers and staff. SDCI implemented the portal, also called Accela, in 2018. Now, customers must submit all permit applications online using this system. SDCI issued an apology to the public shortly after implementing Accela, acknowledging it was a "rocky rollout."

Accela has fallen short of stability targets. Accela was up and running 91.3 percent of August 2022 and 90.4 percent of December 2022. The internal goal is 99.5 percent. Accela's stability appears to

have improved in 2023—Accela was online 99.1 percent of the first five months of the year. Some City staff attributed performance struggles to internal servers, an issue that dates to Accela's launch. The City plans to move to a cloud-based version of Accela. City staff said that the move would take about a year. A consultant report notes that making the switch "doesn't represent a cure for all that ails" the City's permitting portal, but it would likely make it more reliable.

The City does not have an effective strategy for how to support technology essential to the permitting process. The City has made efforts to improve the permitting portal. However, during our audit, City staff and applicants reported performance issues with Accela, such as slowness or not saving information. They said this can delay work or require submitting information multiple times. In our survey of applicants, 42 percent (16 of 38) said they were satisfied with their experience using the City's website to apply for a permit, while 39 percent were dissatisfied.

Staff in SDCI and the Seattle Information Technology Department (ITD) work together to make improvements to Accela. SDCI permitting staff and management cited difficulty getting changes made to make their work easier, including requests dating back to its launch in 2018.

The City also appears to lack a plan to ensure its recently implemented electronic tool to review plans, called Bluebeam, remains viable long term. Most staff that we interviewed had a positive impression of using this tool, as did applicants we surveyed who reported using it. However, the tool recently experienced what staff called a "very catastrophic" error that made it harder for reviewers to do their work. SDCI's ability to maintain Bluebeam's stability is made more challenging because they have just one employee supporting Bluebeam, and they are serving in the role temporarily.

Acknowledging these issues, SDCI leadership identified the need for an IT governance strategy in their most recent strategic plan.

Other departments involved in the permitting process are not fully integrated into Accela, which may confuse customers. For example, customers must manually request a water meter, rather than this happening automatically as part of their permit application. Seattle Public Utilities staff said there have been times that homes were sold without having running water because there's no way for the department to flag this issue in the permitting process.

When first implemented at the City, only SDCI used Accela. City staff said there was not a focus at the time on how to coordinate using Accela with other departments. This continues to impact the permitting process. Seattle Fire Department staff said Accela is not

customized for its needs—instead, they have a separate supplemental database used for inspections, requiring staff to enter information twice.

The Seattle IT Department (ITD) has not always been able to get funding for positions to support the permitting portal. Other City departments now also use Accela for other types of permits, such as taxis and short-term rentals. ITD staff that support Accela are paid through the City's general fund and permitting fees. All departments who use the portal chip in funding—however, this can be challenging for general fund departments. ITD staff who manage Accela say this is not a good funding model and that they need far more staff than what the City approved in recent years. SDCI leadership said it's hard to get support for IT resources, including to keep current systems stable.

Recommendation 8

The Mayor's Office should develop and implement a strategy, including the required resources, for providing ongoing support for the Seattle Services Portal (Accela) and other software used in the construction permitting process. The Mayor's Office should collaborate with the Seattle Information Technology Department and other departments involved in construction permitting.

Recommendation 9

The Seattle Department of Construction and Inspections (SDCI) should evaluate which departments are using Accela for construction permit review and determine how to improve their integration and use of the portal. SDCI should coordinate with other City departments involved in the construction permitting process.

STANDARDIZE CONSTRUCTION PERMIT REVIEW COMMENTS

Section Summary

In this section, we focus on the corrections process and how to improve consistency among permit reviewers. We found there is not enough employee guidance that is specific to corrections, such as which application issues warranted an official correction. Further, there is no point of intervention for when employees should contact an applicant rather than continuing to issue corrections. We also found that the City does not have a policy to routinely evaluate the quality and necessity of permit application corrections.

SDCI lacks a consistent process for handling construction permit corrections

Permit reviewers are inconsistent in how they approach the corrections process. During plan review, permit reviewers issue corrections for customers to fix issues with their application. We noted inconsistencies in how staff decide:

- Which permit application to work on
- What feedback constituted an official correction
- How to notify a customer when a correction is needed
- What was an acceptable correction response from the customer

"Nobody will take phone calls."

- frequent permit applicant

SDCI does not provide enough employee guidance that is specific to corrections. This includes what warrants an official correction versus an informal call or email.

In our survey, some respondents reported a positive experience working with staff, but others said reviewers were inconsistent in the amount of time they took to complete reviews and what they required of an application. Also, respondents requested to be able to address simple, minor corrections without going through a formal review cycle. One respondent said that in the issue they ran into, "a simple phone call could have cleared up the process."

"Reviewers regularly ignore requests for status or info."

- frequent permit applicant

SDCI's review process lacks a stated point of intervention for when to contact an applicant rather than continuing to issue corrections. SDCI management told us that they informally encourage reviewers to contact applicants after multiple correction rounds. However, SDCI staff and leadership acknowledged that some reviewers would rather issue a correction than call an applicant. This slows down the process for an applicant. Also, applicants do not always understand reviewers' written comments. In our survey, 34 percent of respondents said feedback from reviewers was not clear, while 32 percent said it was (34 percent were neutral).

Some review teams go through more rounds of review than others. For example, at the time of our audit, SDCI's Geotechnical team took an average of three rounds on lower-complexity permits, while the Energy/Mechanical team averaged one-and-a-half rounds. While SDCI management said some teams get more complicated projects, having a point of intervention may still reduce their number of review rounds.

Recommendation 10

The Seattle Department of Construction and Inspections (SDCI) should develop a department policy for how construction permit corrections should be handled, including:

- **What rises to the level of needing an official correction**
- **What is required back from the applicant to resolve the correction, including in what format**
- **At what point to contact the applicant to discuss the issues, such as after a certain number of correction cycles**
- **How this policy will be enforced**

SDCI should coordinate with other City departments involved in the construction permitting process in developing and implementing this policy. SDCI should also put relevant information about the policy on their website.

The City does not have a policy to routinely evaluate the quality and necessity of permit application corrections

SDCI has evaluation criteria for permit application corrections. In response to quality concerns raised in a 2015 consultant report, SDCI created quality standards for corrections on construction permit applications. Corrections must be:

- Clear and understandable
- Based in the building, energy, and land use codes, and cite code section
- Note location in plan set
- Directive (identifies action needed)
- Necessary

This consultant report recommended that SDCI perform periodic correction letter audits so that supervisors could evaluate corrections against these standards.

SDCI does not have a policy to evaluate permit correction quality. SDCI attempted to perform regular correction letter audits but determined it took too much time for the value provided. In our interviews with SDCI staff, supervisors told us they found value in the audits and completed some when time allowed. Supervisors described

inconsistent levels of thoroughness and frequency in the audits they did perform.

"More consistency with permit reviewers would improve the process so there is more predictability."

- frequent permit applicant

The variance in permit corrections among City staff warrants ongoing evaluation. We interviewed SDCI employees and found that they consistently described their general approach to permit application corrections, or in other words, their plan review philosophy. Employees described their review as focusing on the big, important issues that would impact building performance and a need to balance review thoroughness with timeliness. Our review of SDCI training confirmed this plan review philosophy at the department level.

However, at the more granular correction item level, SDCI is not consistently meeting their quality standards. For example, a correction letter audit SDCI performed in 2020 found that only 29 percent of corrections were "necessary" for the project type reviewed. In addition, some permit customers we spoke with complained about the quality of permit corrections and about new corrections being added during subsequent reviews. If correction comments do not meet SDCI's quality standards, the City could be missing code requirements, confusing customers, or delaying the permit from being issued.

Recommendation 11

The Seattle Department of Construction and Inspections (SDCI) should develop a process to monitor and evaluate permit application corrections. This process should be sustainable given current resource levels and provide reasonable assurance that permit corrections are meeting SDCI's standards of being necessary, understandable, code-based, directive, and specific. SDCI should track this information so that correction quality can be evaluated over time. To ensure the consistency of permit corrections, SDCI should involve and coordinate with other City departments that issue permits.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

Seattle City Councilmember Dan Strauss requested that we examine the City of Seattle's (City) process for reviewing construction permits. Our objectives were to answer the following questions:

- Are there opportunities to improve the clarity, consistency, and timeliness of the permitting process?
- Is the City using the full potential of its permitting information technology tools?
- Is the City's permitting process contributing to its Race and Social Justice Initiative (RSJI) goals?

Scope

The scope for this audit included construction permit applications under review in 2021 and 2022.

Methodology

To accomplish the audit's objectives, we performed the following:

- Reviewed internal controls related to the construction permitting process, such as relevant SDCI policies, procedures, and training documents
- Interviewed officials from the Seattle Department of Construction and Inspections (SDCI), including permit reviewers from the Engineering Services Division and Land Use Division; supervisors and managers of permit review teams; and employees from the Organizational Strategy and Support Division
- Observed City permit review staff performing construction permit reviews
- Observed an SDCI training session for new permit reviewers
- Interviewed officials from City departments that are involved in the permitting process, including: Seattle City Light, Seattle Public Utilities, the Seattle Fire Department, and Seattle Department of Transportation
- Interviewed officials from the Seattle Information Technology Department who are involved in supporting the City's permitting information technology tools
- Interviewed officials from the Mayor's Office and the Seattle Office for Civil Rights

- Analyzed SDCI's construction permit data for City review timeliness in 2021 and 2022 and compared to state timelines and internal targets
- Surveyed customers whose permit applications had gone through five correction rounds, with 38 of 117 contacted responding
- Interviewed customers who have submitted a high number of permit applications with the City to learn about their experiences
- Attended a monthly meeting between City officials and the Master Builders Association of King and Snohomish Counties
- Researched relevant construction permitting best practices

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX A

Department Response



Seattle Department of
Construction & Inspections

August 30, 2023

David G. Jones, CGFM, CIA, CISA
Seattle City Auditor
Office of City Auditor

David Jones, and Office of City Auditor staff,

Thank you for sending the final draft audit report on construction permitting: "City's Construction Permitting Needs More Customer Focus and Consistency." SDCI appreciates having been included as an active participant in this lengthy and thorough process. In general, SDCI concurs with all of the findings/recommendations in the final draft report. We appreciate the inclusion of our consolidated comments from the SDCI Executive Team and we also appreciate the need to have further discussion regarding a number of the recommendations, particularly for those recommendations that have already had significant investments/progress made this calendar year (2023), together with those that clearly extend beyond SDCI's area of authority and may have broader impacts to other departments across the city. There are many nuances to the complex system of permitting and we are committed to the core philosophy of Continuous Improvement in line with the audit's general theme of consistency and adding value to all our customers (including permit applicants *and others* who interact with the city).

Thank you for allowing us to participate in this audit process. We look forward to continuing to partner in the final outcomes and the ongoing work to address these findings/recommendations.

Please let us know if there is anything further needed from SDCI at this time.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nathan Torgelson".

(On Behalf of Nathan Torgelson, SDCI Department Director and the SDCI Executive Team)



C. Andrew ("Andy") Higgins, MBA, CBO/MCP (he/him/his)
Engineering Services Director
[Seattle Department of Construction and Inspections](#)
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[Facebook](#) | [Twitter](#) | [Blog](#)

APPENDIX B

List of Recommendations and Department Response

Recommendation 1:

The Seattle Department of Construction and Inspections (SDCI) should develop metrics by construction permit type for total review time and a tracking process to support meeting those metrics. The metrics and SDCI's progress on meeting those metrics, along with the methodology and notices of any data limitations, should be displayed on SDCI's website and updated regularly. The data should meet the needs and expectations of customers and include other City departments' review times. SDCI should also consider whether to publish its review queue on its website.

Department Concurrence: SDCI generally concurs with this finding.

Estimated Date of Completion (Qtr./Yr.): Pilot completion by end of Q4 2024 and ongoing improvements.

Department Response: SDCI is working on a list of known enhancements and improvements to its permit tracking system. Items already on this list are inclusive of tracking performance against correction cycles and total throughput time, including the goal of reducing average correction cycles through utilization of enhanced collaboration tools such as Bluebeam Revu and future SaaS solutions. Improvements are already underway on these metrics and our commitment is that these improvements will continue, including a focused realignment effort keying in on an improved end-to-end customer service experience throughout the entire permitting process.

Recommendation 2:

The Seattle Department of Construction and Inspections (SDCI) should address potential permitting barriers and equity concerns by incorporating the City's Race and Social Justice Initiative (RSJI) values into the permitting process. This should involve completing a Racial Equity Toolkit (RET) for the entire permitting process or several RETs for specific parts of the process. SDCI should consult with the Seattle Office for Civil Rights for RET guidance and support and with other City departments that are involved in permitting or have a stakeholder interest. In the RET, SDCI should evaluate the accessibility of their current process and tools, including considering the needs of customers who lack computer skills, people with disabilities, and people with limited English proficiency, among others. The RET should also include a stakeholder analysis to determine who is impacted by the permitting process and from whom SDCI should get regular feedback. The City should implement the recommendations that result from this effort.

Department Concurrence: SDCI generally concurs with this finding.

Estimated Date of Completion (Qtr./Yr.): Ongoing/TBD

Department Response: Historically, SDCI has run several Racial Equity Toolkits (RETs) for various portions of the permitting process and is committed to eliminating potential permitting barriers and equity concerns. These efforts will continue and SDCI will work with the Seattle Office for Civil Rights and other City departments to assess the racial equity impacts of specific parts of the process identified by our customer engagement efforts in the future. SDCI is already actively working on updating and publicly publishing our Plan Review Priority Guidelines on our website in an effort to increase transparency.

Recommendation 3:

The Seattle Department of Construction and Inspections (SDCI) should develop a strategic customer engagement program for their construction permitting process, which could include:

- Establishing customer service and satisfaction baseline data.
- Defining performance measures that relate to SDCI's strategic goals.

- A process to routinely monitor performance measures.
- Defined roles for SDCI employees who are responsible for implementing process improvements.

Department Concurrence: SDCI generally concurs with this finding.

Estimated Date of Completion (Qtr./Yr.): Pilot completion by end of Q4 2024 and ongoing improvements.

Department Response: SDCI is pursuing a potential mechanism for continuously gathering customer experience feedback across the entire process in order to be able to use that information in its efforts towards continuous improvement. SDCI is already collecting customer satisfaction scores in our Virtual Applicant Services Center environment, and we hope to expand that to our overall permitting process going forward. In addition, SDCI is considering a customer experience team that will service permit applicants from pre-intake to final inspection, to ensure a seamless customer service experience.

Recommendation 4:

The Seattle Department of Construction and Inspections (SDCI) should solidify and make more transparent how it prioritizes construction permit applications for review. This could include:

- Creating a policy and providing training on how permit reviewers should prioritize projects assigned to them
- Improving the workflow screen in Accela to make the priority of projects clearer
- Reviewing and making updates to the Plan Review Priorities Guideline document (for example, considering the priority of medical or disability accommodations) and making it publicly available
- Creating a method to document when and why the prioritization process is circumvented

SDCI should coordinate with other City departments as needed to implement this recommendation.

Department Concurrence: SDCI generally concurs with this finding.

Estimated Date of Completion (Qtr./Yr.): Q4 2023 with ongoing training/transparency efforts to continue.

Department Response: SDCI currently has policies and procedures related to application prioritization, though historically these documents have been internal to the department and SDCI is committed to making these documents public facing and more transparent. SDCI has edited the Plan Review Priority Guidelines to give priority to projects relating to medical or disability accommodations, as suggested in the Audit and has placed this document on our publicly facing website, as well as on our internal website. SDCI is also committed to improving the tools supervisors and staff have to be more consistent in prioritizing work across the department and city.

Recommendation 5:

The Seattle Department of Construction and Inspections (SDCI) should evaluate its ethical culture and make any needed improvements. SDCI should consider the following:

- Periodic evaluations of the workplace culture and ethical environment through anonymous employee surveys
- An internal ethics policy to address situations that are unique to SDCI's work environment
- Ongoing ethics training that is tailored to SDCI's work environment and potential ethical scenarios employees may encounter
- A clear process for employees to anonymously report ethical concerns
- Leadership's demonstrated commitment to strong ethical values through their directives, attitudes, and behavior (also known as "tone at the top")
- Reviewing and determining which employees should complete the City's Financial Interest Statement form based on their responsibilities

Department Concurrence: SDCI generally concurs with this finding.

Estimated Date of Completion (Qtr./Yr.): Q4 2024 and ongoing.

Department Response: SDCI is pursuing a potential mechanism for continuously gathering employee experience feedback across the entire department to be able to use that information in its efforts towards continuous improvement. This mechanism may include a way for employees to anonymously report ethical concerns. SDCI hopes to partner with other city departments (including Ethics & Elections and Seattle IT) to be able to create a more standardized ethics training program, like the annual privacy and security training that exists for all city staff. It is important to point out that there were no specific findings of any unethical issues or situations as part of this audit report. SDCI will work with Ethics and Elections to develop more guidelines surrounding SDCI staff with secondary employment in the construction and development industry. The Department nor the Office of Ethics and Elections have a mechanism to track who is filling out the Financial Interest Statement, but SDCI will also send out reminders to staff more frequently to complete the form. This finding is a good reminder that the department is responsible for ongoing/routine foundational training regarding its strong ethical values and the department is committed to more consistency and rigor around providing ongoing training and gathering feedback.

Recommendation 6:

The Mayor's Office should lead a coordinated effort to document all recommendations related to the construction permitting process from consultant reports and internal improvement efforts. City departments should then evaluate each recommendation to determine whether they intend to implement it and why. The City should prioritize, assign an owner, and estimate a due date for each recommendation that is selected for implementation. Recommendations should be tracked in a central, publicly accessible location such as a dashboard to promote accountability.

Department Concurrence: SDCI generally concurs with this finding.

Estimated Date of Completion (Qtr./Yr.): TBD

Department Response: SDCI will need to collaborate with the Mayor's Office regarding this recommendation and will continue to share all the historical documentation and recommendations previously related to the construction permitting process from years of consultant reports and internal improvement efforts.

Recommendation 7:

The City Budget Office, in collaboration with other City departments, should evaluate the governance and funding structures of departments that review construction permit applications and determine if changes can be made to better position the City to quickly respond to fluctuations in permit demand while meeting customer expectations.

Department Concurrence: SDCI generally concurs with this finding.

Estimated Date of Completion (Qtr./Yr.): TBD

Department Response: SDCI will need to collaborate with the City Budget Office and other City departments regarding this recommendation and will continue to share all the historical documentation and recommendations related to enterprise funding, operational reserves and set asides, contingent budget authority, demand/capacity planning, etc. in order to assist other departments involved in the permitting process in their efforts to be more nimble/responsive.

Recommendation 8:

The Mayor's Office should develop and implement a strategy, including the required resources, for providing ongoing support for the Seattle Services Portal (Accela) and other software used in the construction

permitting process. The Mayor's Office should collaborate with the Seattle Information Technology Department and other departments involved in construction permitting.

Department Concurrence: SDCI generally concurs with this finding.

Estimated Date of Completion (Qtr./Yr.): TBD

Department Response: SDCI will need to collaborate with the Mayor's Office, Seattle IT, and other City departments regarding this recommendation. Work is already underway to realign the governance structure for the Enterprise, Permitting, Inspection, & Compliance (EPIC) Program as well as to shift to Software as a Service (SaaS) and to begin using Managed Accela Services (MAS) to increase internal IT capacity. Creating feedback mechanisms for continuously gathering customer experience feedback across the entire platform to be able to use that information in our collective efforts towards continuous improvement will be a critical component of continuing to address the impacts of future changes to our technology.

Recommendation 9:

The Seattle Department of Construction and Inspections (SDCI) should evaluate which departments are using Accela for construction permit review and determine how to improve their integration and use of the portal. SDCI should coordinate with other City departments involved in the construction permitting process.

Department Concurrence: SDCI generally concurs with this finding.

Estimated Date of Completion (Qtr./Yr.): TBD

Department Response: SDCI will need to collaborate with the Mayor's Office, Seattle IT, and other City departments regarding this recommendation. Work is already underway to incorporate a number of processes and departments into Accela that have not yet fully implemented the tool. The timing of these implementations is related to the backlog of known improvements/enhancements that have been limited by IT capacity issues. SDCI and other City departments are also currently working with the Mayor's Office of Innovation and Performance to evaluate the entire permitting process and will collaborate on areas of additional system integration, process improvements, and workflow enhancements identified through that effort.

Recommendation 10:

The Seattle Department of Construction and Inspections (SDCI) should develop a department policy for how construction permit corrections should be handled, including:

- What rises to the level of needing an official correction
- What is required back from the applicant to resolve the correction, including in what format
- At what point to contact the applicant to discuss the issues, such as after a certain number of correction cycles
- How this policy will be enforced

SDCI should coordinate with other City departments involved in the construction permitting process in developing and implementing this policy. SDCI should also put relevant information about the policy on their website.

Department Concurrence: SDCI generally concurs with this finding.

Estimated Date of Completion (Qtr./Yr.): Pilot completion by end of Q4 2024 and ongoing improvements.

Department Response: SDCI acknowledges that these policies do exist within the department, but that they are inconsistently applied across all teams/divisions, as well as across all city departments involved in reviewing construction permit applications. SDCI is committed to working on consolidating these policies into a more comprehensive and consistent department-wide (and potentially city-wide) policy. (Note: SDCI will need to collaborate with the Mayor's Office and other City departments involved in order to be able to encourage implementation of something citywide.)

Recommendation 11:

The Seattle Department of Construction and Inspections (SDCI) should develop a process to monitor and evaluate permit application corrections. This process should be sustainable given current resource levels and provide reasonable assurance that permit corrections are meeting SDCI's standards of being necessary, understandable, code-based, directive, and specific. SDCI should track this information so that correction quality can be evaluated over time. To ensure the consistency of permit corrections, SDCI should involve and coordinate with other City departments that issue permits.

Department Concurrence: SDCI generally concurs with this finding.

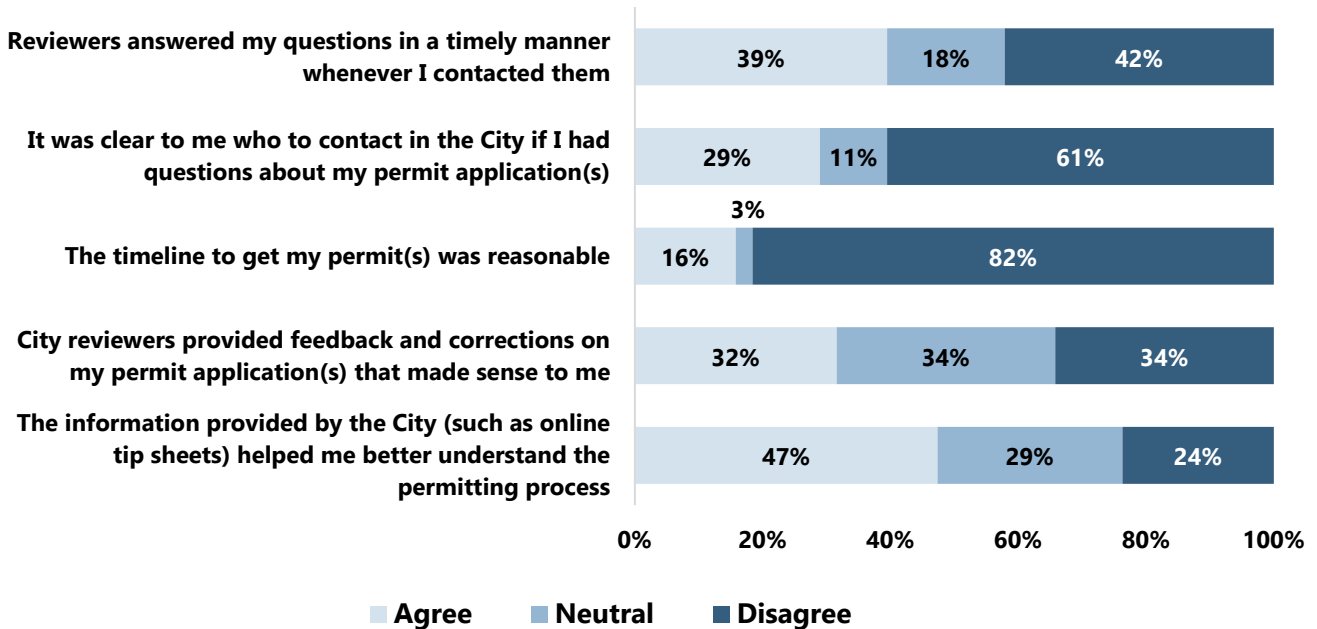
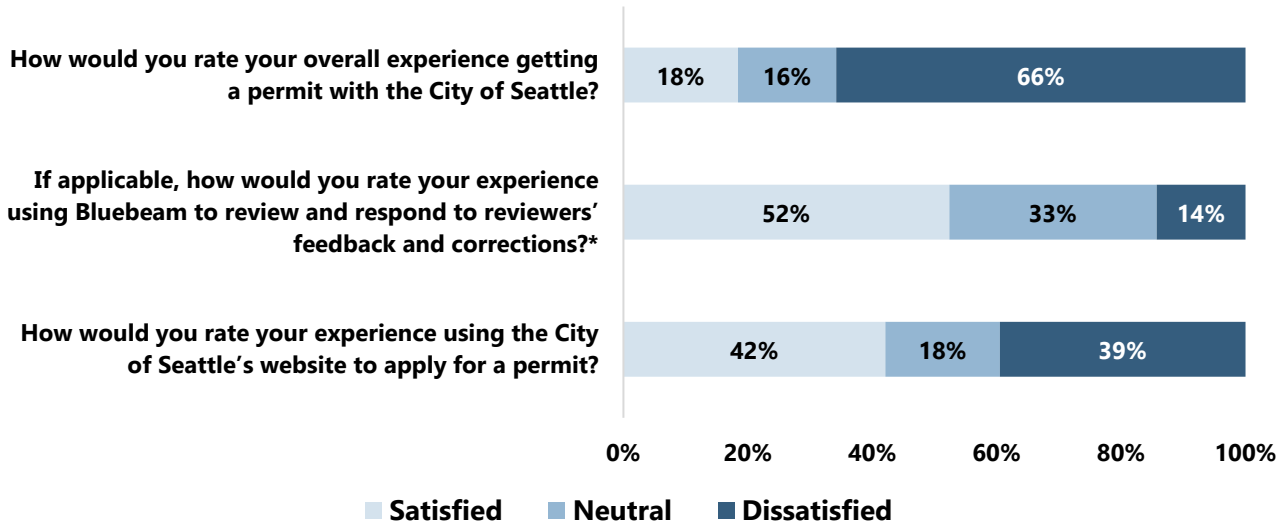
Estimated Date of Completion (Qtr./Yr.): Pilot completion by end of Q4 2024 and ongoing improvements.

Department Response: SDCI acknowledges that correction monitoring processes do exist within the department, but that they are inconsistently applied across all teams/divisions, as well as across all city departments involved in reviewing construction permit applications. SDCI is committed to working on consolidating these practices into a more comprehensive and consistent department-wide (and potentially city-wide) process. Implementation of a mechanism for continuously gathering customer experience feedback and employee experience feedback across the entire process will be critical in maximizing our efforts to measure whether permit corrections are meeting SDCI's standards of being necessary, understandable, code-based, directive, and specific. (Note: SDCI will need to collaborate with the Mayor's Office and other City departments involved in order to be able to encourage implementation of something citywide.)

APPENDIX C

Results of Audit's Construction Permit Applicant Survey

We conducted a survey of applicants with a high number of review rounds to gain an understanding of their experiences and impressions of the construction permitting process. We sent our survey in May 2023 to 117 applicants with at least five rounds of review. Of those, 38 responded. The graphs below contain summary data for questions where we asked applicants to rate their experiences.



*This figure is among the 21 of 38 (55 percent) survey respondents who reported using Bluebeam.

APPENDIX D

Seattle Office of City Auditor Mission, Background, and Quality Assurance

Our Mission:

To help the City of Seattle achieve honest, efficient management and full accountability throughout City government. We serve the public interest by providing the City Council, Mayor and City department heads with accurate information, unbiased analysis, and objective recommendations on how best to use public resources in support of the well-being of Seattle residents.

Background:

Seattle voters established our office by a 1991 amendment to the City Charter. The office is an independent department within the legislative branch of City government. The City Auditor reports to the City Council and has a four-year term to ensure their independence in deciding what work the office should perform and reporting the results of this work. The Office of City Auditor conducts performance audits and non-audit projects covering City of Seattle programs, departments, grants, and contracts. The City Auditor's goal is to ensure that the City of Seattle is run as effectively, efficiently, and equitably as possible in compliance with applicable laws and regulations.

How We Ensure Quality:

The office's work is performed in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. These standards provide guidelines for audit planning, fieldwork, quality control systems, staff training, and reporting of results. In addition, the standards require that external auditors periodically review our office's policies, procedures, and activities to ensure that we adhere to these professional standards.

Seattle Office of City Auditor
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Ph: 206-233-3801
www.seattle.gov/cityauditor



Legislation Text

File #: CB 120674, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to land use and zoning; amending Section 23.76.029 of the Seattle Municipal Code to allow applicants for or holders of certain Master Use Permits approved for issuance between March 1, 2020 and December 31, 2026 to have their Master Use Permits expire in six years; and making other minor amendments to the procedure for expiration and renewal of Master Use Permits.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 23.76.029 of the Seattle Municipal Code, last amended by Ordinance 126855, is amended as follows:

23.76.029 Type I and II Master Use Permit duration and expiration date

An issued Type I or II Master Use Permit expires three years from the date a permit is approved for issuance as described in Section 23.76.028, except as follows:

A. A Master Use Permit with a shoreline component expires pursuant to WAC 173-27-090.

B. A variance component of a Master Use Permit expires as follows:

1. Variances for access, yards, setback, open space, or lot area minimums granted as part of a short plat or lot boundary adjustment run with the land in perpetuity as recorded with the King County Recorder.

2. Variances granted as separate Master Use Permits pursuant to subsection 23.76.004.G expire three years from the date the permit is approved for issuance as described in Section 23.76.028 or on the effective date of any text amendment making more stringent the development standard from which the variance was granted, whichever is sooner. If a Master Use Permit to establish the use is issued prior to the earlier of the

dates specified in the preceding sentence, the variance expires on the expiration date of the Master Use Permit.

C. The time during which pending litigation related to the Master Use Permit or the property subject to the permit made it reasonable not to submit an application for a building permit, or to establish a use if a building permit is not required, is not included in determining the expiration date of the Master Use Permit.

D. Master Use Permits with a Major Phased Development or Planned Community Development component under Sections 23.45.600, 23.47A.007, 23.48.007, 23.49.036, ~~((23.50.015))~~, or 23.50A.030 expire as follows:

1. For the first phase, the expiration date shall be three years from the date the permit is approved for issuance;
2. For subsequent phases, the expiration date shall be determined at the time of permit issuance for each phase, and the date shall be stated in the permit.

E. Permits for uses allowed under Section 23.42.038, temporary or intermittent use permits issued pursuant to Section 23.42.040, and transitional encampment interim use permits issued under Section 23.42.056 expire on the date stated in the permit.

F. Except as otherwise provided in this subsection 23.76.029.F, Master Use Permits for development pursuant to Section 23.49.180 expire on the date set by the Director in the Master Use Permit decision, which date may be a maximum of 15 years from the date the Master Use Permit is approved for issuance. The Director shall consider the complexity of the project, economic conditions of the area in which the project is located, and the construction schedule proposed by the applicant in setting the expiration date. If no expiration date is set in the Master Use Permit decision, the expiration date is three years from the date a permit is approved for issuance.

1. In order for the Director to set the Master Use Permit expiration date, the applicant shall:
 - a. Submit with the application a site plan showing a level of detail sufficient to assess anticipated impacts of the completed project; and

b. Submit a proposed schedule for complying with the conditions necessary to gain the amount of extra floor area and the extra height sought for the project.

2. The expiration date of the Master Use Permit may be extended past the expiration date set in the Master Use Permit decision or the date established in this subsection 23.76.029.F if:

a. On the expiration date stated in the Master Use Permit decision, a building permit for the entire development has been issued, in which case the Master Use Permit is extended for the life of the building permit if the Master Use Permit would otherwise expire earlier, or

b. A complete application for a building permit that either is for the entire development proposed pursuant to Section 23.49.180, or is for construction to complete the entire development proposed pursuant to Section 23.49.180, is:

1) Submitted before the expiration date of the Master Use Permit; and

2) Made sufficiently complete to constitute a fully complete building permit application as defined in the Seattle Building Code, or for a highrise structure regulated under Section 403 of the Seattle Building Code, made to include the complete structural frame of the building and schematic plans for the exterior shell of the building, in either case before the expiration date of the Master Use Permit, in which case the Master Use Permit is extended for the life of the building permit issued pursuant to the application if the Master Use Permit would otherwise expire earlier.

G. The permit expires earlier pursuant to Section 22.800.100.

H. The time during which the property subject to the Master Use Permit is used for a transitional encampment interim use is not included in determining the expiration date of the Master Use Permit.

I. A Master Use Permit subject to this subsection 23.76.029.I approved for issuance after March 1, 2020 and before December 31, 2026, and that is not subject to subsections 23.76.029.A or 23.76.029.E, shall expire six years from the date the permit was approved for issuance as described in Section 23.76.028. A Master Use Permit with a six-year expiration period is not eligible for a two-year extension described in Section 23.76.032.

A variance component of a Master Use Permit subject to this subsection 23.76.029.I shall expire in accordance with subsection 23.76.029.B. A Master Use Permit with a Major Phased Development or Planned Community Development component under Section 23.45.600, 23.47A.007, 23.48.007, 23.49.036, 23.50.015, or 23.50A.030 that is subject to this subsection 23.76.029.I shall expire as follows:

1. For the first phase, six years from the date the permit is approved for issuance;
2. For subsequent phases, expiration shall be stated in the permit.

Section 2. Subsection 23.76.029.I of the Seattle Municipal Code expires on December 31, 2032.

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

Passed by the City Council the _____ day of _____, 2023, and signed by me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this _____ day of _____, 2023.

Scheereen Dedman, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
Construction and Inspections	Gordon Clowers	Christie Parker

** 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 land use and zoning; amending Section 23.76.029 of the Seattle Municipal Code to allow applicants for or holders of certain Master Use Permits approved for issuance between March 1, 2020 and December 31, 2026 to have their Master Use Permits expire in six years; and making other minor amendments to the procedure for expiration and renewal of Master Use Permits.

Summary and Background of the Legislation:

This legislation takes the following actions:

- Extends the term of Master Use Permits (MUPs) approved for issuance between March 1, 2020 and December 31, 2026 to six years. (All future MUPs issued or approved after 2026 will revert to the MUP expiration provisions in SMC Sections 23.76.029 – 032.)
- Allows projects to be developed under land use regulations that were in effect at the time the MUP vests, such as when approved for issuance.
- Allows an extended six-year term without the existing renewal process that would otherwise be used to extend the three-year term of MUPs by two additional years. These two-year extensions require projects to be revised to meet any updated codes.
- Includes the first phases of Major Phased Development and Planned Community Development MUPs.
- Leaves in place existing provisions for shoreline permits, full- and short-subdivisions, and Land Use Code variances, which are governed by state law.

This legislation provides more flexibility to proposals with MUP decisions that have been issued since March 1, 2020 and MUPs that will have a MUP decision issued before December 31, 2026. This could aid projects that need more time to complete building permitting and initiate construction. Potential challenges that may delay building permitting include securing financing or project design matters. Reaching the MUP decision issuance phase in the permit process involves a considerable investment in time and money. Helping these projects with more time to come to fruition could be a major contribution to activating Downtown Seattle and the city as a whole. This legislation could aid approximately 205 pending development proposals citywide, of which approximately 40 are in the core Downtown, South Lake Union, and Uptown Urban Centers.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

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?

The legislation may lead to additional permit staffing activities due to the longer timeframe allowed for MUP reviews. However, as SDCI charges an hourly rate for permit review activities, including any new hours of review work generated by individual projects, permit fees are expected to cover increased staffing costs, if any. Also, minor IT updates are anticipated for this change to the MUP lifespan, which can be covered by existing resources. Therefore, no financial impacts to SDCI are anticipated.

Pre-MHA vested projects: Of the pool of eligible MUPs under the proposal, approximately 11 projects vested prior to the enactment of the Mandatory Housing Affordability (MHA) requirements. If these projects were helped by the proposed legislation and did not expire according to existing code provisions, it could result in lost MHA revenue estimated at \$3.0 to \$5.5 million, but would result in new housing units and taxes generated from construction activity. The impact of reduced MHA revenues depends on the share of projects for which MUPs would be renewed at the existing year three point rather than allowed to expire due to financial or other considerations.

This analysis does not make assumptions about whether these 11 projects will ultimately be developed, although one is in extended litigation and under existing rules will likely have an extended MUP lifespan. For projects that would not move forward (i.e., 2-year MUP renewal) upon reaching the 3-year deadline, this legislation has no impact on MHA revenue as those affordable housing contributions would not occur.

Inflation effects on value of MHA contributions: Other eligible projects that benefit from the legislation would be subject to MHA. However, the MHA fees would not be adjusted for inflation, which occurs when a MUP is renewed under the existing provisions. In coming years, annual inflation adjustments are estimated to be between 3% and 5%. Therefore, projects with 6-year MUPs would have MHA contributions for affordable housing that are 3 to 5% less than under the existing code.

To provide some scale, the overall amount of MHA revenue collected to date totals \$246 million; the average annual MHA contributions is \$60 million; and \$38 million has been collected in 2023 year-to-date.

Are there financial costs or other impacts of *not* implementing the legislation?

Helping these projects complete the construction process and get into active use would generate tax revenue and other benefits in terms of helping promote activity downtown and throughout the city that would otherwise be foregone if the legislation is not implemented.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**
The Office of Housing awards MHA funds for development of low-income housing in Seattle. Potential impact on MHA revenue is described above. The proposal is not anticipated to impact staffing costs of other departments, such as the Office of Housing, that also have permit review responsibilities.
- b. Is a public hearing required for this legislation?**
Yes.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
Yes.
- d. Does this legislation affect a piece of property?**
The legislation affects a wide range of properties in the city.
- e. 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?**
No impacts identified.
- f. Climate Change Implications**
- 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?**
No. The MUP does not vest a construction permit. Projects are held to building codes and energy codes that apply, based on the dates SDCI accepts a complete building permit application. Therefore, the legislation does not change the application of building and energy codes.
- 2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle’s resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**
No impacts identified.
- 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)?**
This is not a new initiative or major programmatic expansion.

August 7, 2023

DIRECTOR'S REPORT

Master Use Permit Expiration Amendments

Introduction and Proposal

These are extraordinary times, as both the Seattle region and the nation seek post-pandemic economic recovery. Seattle's Department of Construction and Inspections (SDCI) recognizes that national and regional economic conditions lead to uncertainties that may affect development project viability to proceed. In the short term, the City should consider strategies to increase flexibility and time for development proposals already in permitting.

Approximately 205 significant development projects throughout Seattle have obtained a Master Use Permit (MUP) or are recently in MUP land use review, but have not yet received building permit approvals, which is the final step needed to start construction. These projects could benefit from additional flexibility in the City's approval process. Going forward, issued MUPs without building permits may either expire or face costly permit revisions to conform to changes in land use and environmental code requirements.

To help development projects to weather this economic period, SDCI proposes amendments that would accomplish the following:

- Change the term for most active MUPs from three years to six years;
- Focus on MUPs approved for issuance after March 1, 2020, and until December 31, 2026. After that, the code would revert to expiration provisions in Chapter 23.76.029 – 032;
- Allow MUPs to vest to the land use regulations in effect at the time of approval for issuance (or as otherwise specified in existing Code) for the six-year MUP term, plus any additional time based on extensions through the building permit process, as currently provided;
- Include the first phases of Major Phased Development and Planned Community Development MUPs;
- No renewals of MUPs after the proposed six-year duration would be allowed;
- No change is proposed to the current process for temporary use permits, and other actions including shoreline permits, variances and subdivisions.

The proposal is an interim action addressing near-term economic conditions; it is proposed to expire on December 31, 2026.

The existing MUP process and proposed changes are shown in a chart at the end of this report.

Background

A Master Use Permit (MUP) is the document issued to an applicant that records all land use decisions made by SDCI on an application for development. The Land Use Code's Chapter 23.76 designates most MUPs as either Type I decisions (not appealable), or Type II decisions, which are appealable. Type I decisions are made by SDCI staff usually without public notice or comment opportunity, while Type II decisions require public notice and opportunity to comment, followed by notice of and publication of a written land use decision. This action is followed by a period for an administrative appeal opportunity, usually to the City Hearing Examiner.

The MUP is ready to issue, or approved for issuance, at the point the SDCI decision is made for a Type I MUP or, for Type II MUPs, on the day following the close of the administrative appeal period or on the fourth day following the date of final administrative appeal decision (Section 23.76.028).

A MUP currently has a term of three years from the date it is approved for issuance. A few MUP types are treated differently as described in Sections 23.76.029 and .030. During the three-year term for most MUPs, the permit is "vested," meaning it is subject to the Land Use Code regulations and other land use control ordinances (such as the Regulations for Environmentally Critical Areas) in effect on:

- The date a complete application for a MUP is received by SDCI after early design guidance (or other streamlined design guidance from the SDCI Director) for proposals in the Design Review process; or
- The date of published notice of the SDCI decision on other Type II MUPs; or
- The date of decision for Type I MUPs.

MUPs expire at the end of the three-year term unless they are renewed or unless a fully complete building permit application is submitted according to the requirements of Sections 23.76.029 through .032, and the building permit is subsequently issued.¹ Once the building permit is issued, the MUP term is extended based on the term for which the building permit is issued, including renewals of the building permit. The period in which the MUP is vested to a specific set of land use regulations is extended by the term of the building permit but is not extended by a renewal of the MUP without an associated building permit.

The current Code provides an option for a two-year renewal of a MUP. Renewal requires that Code changes adopted since the date of approval for issuance of the original MUP be reflected in the project. Such changes, if sufficiently significant, could make a project infeasible. Even if required design changes would not preclude the project from being built, the changes may trigger additional Design Review and MUP approval process, with attendant extension of time

¹ A few MUPs, for projects not requiring building permits or for Major Phased Developments, are treated differently.

for process and uncertainty. By reducing deadline-related pressures, a longer term for MUP approvals to remain active would remove costs and uncertainty for project proponents who intend to proceed with construction later in the future.

Analysis

While the ultimate goal of most MUP applications is to obtain a building permit and construct a project, MUPs are frequently reviewed and issued prior to the time that application is made for a building permit or other construction permit. If the project proposal is of a significant size or type of use, then the MUP application requires a public notice and opportunity for public comment, and usually also requires a written land use decision, followed by public notice of the decision and public notice of opportunity for appeal, typically to the City's Office of Hearing Examiner. Other land use decisions are included in most MUPs, particularly projects requiring Design Review or land use approvals under the State Environmental Policy Act (SEPA). Other types of possible land use approvals include variances, conditional use review, and special exceptions.

The land use review and approval process for a MUP often requires extensive planning and preparation by applicants and in-depth reviews by SDCI staff. For projects reaching the MUP decision milestone, the MUP assures an applicant that any later changes to Code requirements will not apply to the project, for the term of the MUP. The right to hold an approved permit for a period of time, and to apply specific standards to the development approved by that permit, is known as "vesting." The MUP thus has a specific term of effectiveness, or "lifespan" in which the permit holder has certainty about the requirements for the authorized project. The current term for a MUP is three years from the date the MUP is approved for issuance (usually at the end of an appeal period), with the option to renew the MUP for an additional two-year period. Renewal, however, requires updating an approved project to meet the current Land Use Code requirements at the time of renewal, if any requirements have changed. Thus, the actual time a project can "vest" to a MUP is limited to three years unless a complete application for a building permit is submitted. Building permit submittal is not financially practicable for some developers in a time of economic downturn.

In this current period with uncertainties about project financing, the real estate market, or other feasibility reasons, the existing time limit for an approved MUP may be too abbreviated. Giving a longer MUP life would allow projects to remain active with some assurance that specific land use requirements would continue to apply to them until the time best suited to proceed with development arrives.

A six-year MUP term, rather than the current three years, would be a reasonable amount of additional time to allow a MUP to remain in effect and subject to a particular set of regulations. A six-year term would only effectively add one year to the current Code requirements of a three-year life plus a two-year renewal option. There would be no option for additional renewal of a six-year MUP. The existing regulations for extension of a MUP term based on submittal of a complete application for a building permit would remain.

The proposed amendment is anticipated to affect approximately 205 outstanding MUP actions, where either:

- The written land use decision approving the MUP has been published since March 1, 2020 but a building permit has not yet been approved; or
- The MUP is under review and may have a MUP issued within the next three years.

MUPs in both scenarios would thus receive the six-year MUP duration.

The proposal would only apply to future permit applications until December 31, 2026, and to existing MUPs approved for issuance since March 1, 2020. Upon expiration of the legislation, the current regulations, including the three-year term and two-year option to renew, would apply.

The proposed change would apply only to certain Type I MUPs² and Type II MUPs as identified in Section 23.76.029. Some Type II decisions, such as short subdivision decisions and shoreline approvals, have separate terms established elsewhere in the Code and will not be affected. Full subdivisions (Type III MUPs), as well as Type IV and Type V decisions involving City Council approval will also continue to be regulated under existing Code that specifies separate terms for MUPs issued under those processes.

Other considerations

Projects vested pre-MHA: Of the pool of eligible MUPs under the proposal, approximately 11 projects are vested prior to the enactment of the Mandatory Housing Affordability (MHA) requirements. If these projects all were helped by the proposed legislation and do not expire according to existing code provisions, it could result in lost MHA revenue estimated at \$3.0 to \$5.5 million. The largest single development in this category would account for as much as \$2.5 million of this amount if it benefits from this proposal and retains its vesting to avoid MHA payments.

The impact of reduced MHA revenues depends on the share of projects for which MUPs would be renewed at Year 3 rather than allowed to expire. This analysis does not forecast which or how many of these projects may ultimately gain the benefit of this legislation, which could depend on individual circumstances of each situation. These projects would benefit the City in construction tax revenue and new housing units. For projects that would not move forward (e.g., not proceeding with a 2-year MUP renewal) upon reaching the 3-year deadline, this legislation would have no impact on MHA revenue, because those affordable housing contributions would not have materialized in those cases.

² Section 23.76.029 specifies different permit duration terms for a number of certain MUP types, including but not limited to Type I MUPs for temporary or intermittent use permits, transitional encampment interim use permits, and lot boundary adjustments, and Type II MUPs for shoreline components, variances, and short plats.

Inflation effects on value of contributions: Future projects that benefit from the legislation would be subject to MHA, but MHA revenue could be reduced due to the longer MUP lifespan. Currently, the per-square-foot MHA fee amount is adjusted for inflation when a MUP is renewed at end of Year 3. In coming years, annual inflation adjustments are estimated to be between 3% and 5%. For projects with 6-year MUPs (rather than two-year renewal at end of Year 3), the MHA contributions for affordable housing would therefore have 3 to 5% less value due to the effects of inflation.

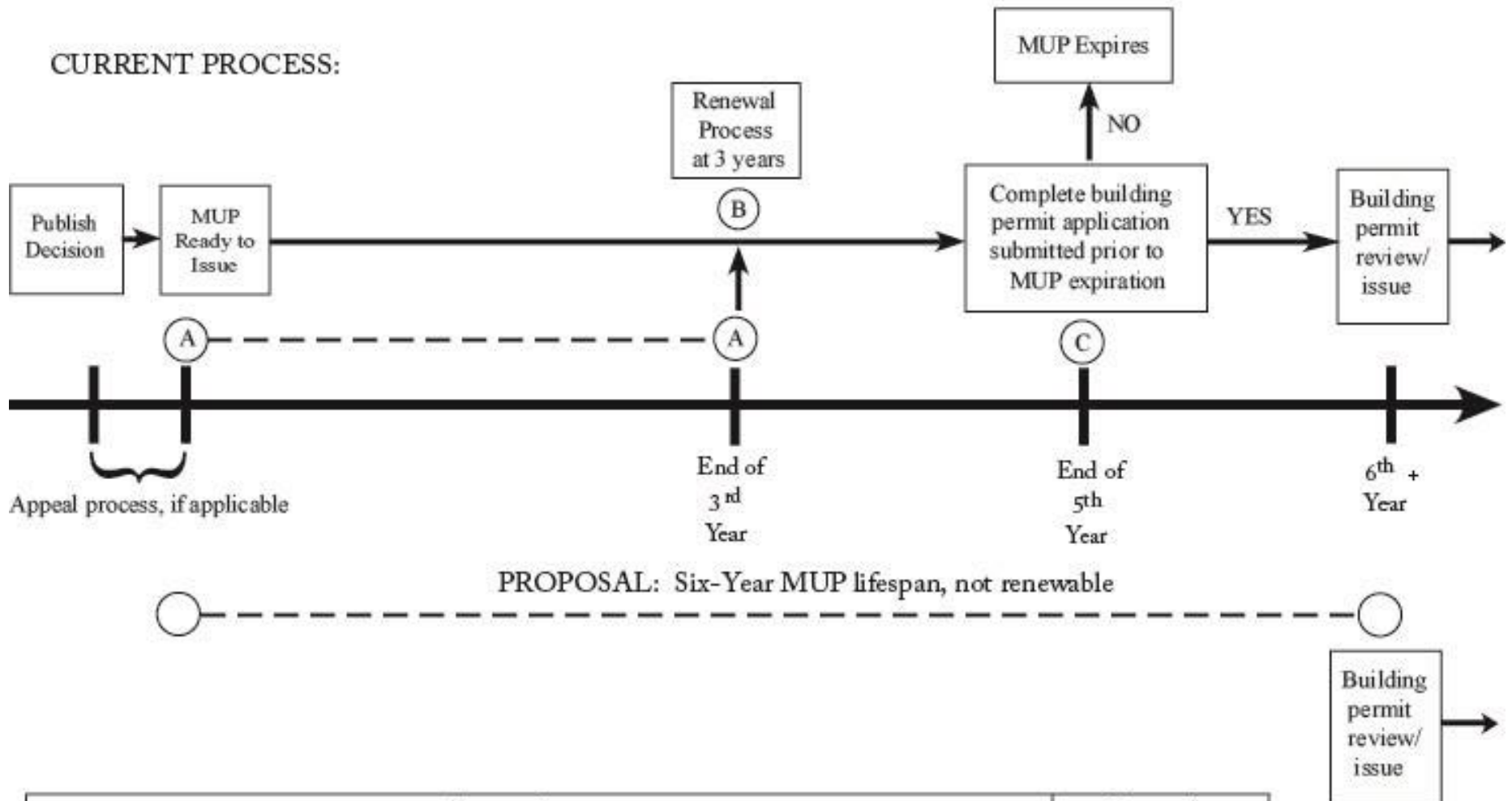
To provide some scale, the overall amount of MHA revenue collected to date totals \$246 million; the average annual MHA contributions is \$60 million; and \$38 million has been collected in 2023 year-to-date. Under the proposed legislation, reduced MHA revenue impacts would only be associated with active MUPs approved between March 1, 2020 and December 31, 2026. Starting in 2027, MUP renewals at end of Year 3 would resume under the existing provisions, including the inflation adjustment for MHA fee amounts.

Recommendation

The proposed extension of the term for Master Use Permits will benefit applicants whose development proposals have been adversely affected by recent economic challenges, while creating only modest changes to the current system of MUP expiration and renewal. SDCI recommends approval of the proposed Code changes.

Attachment

Current and Proposed Master Use Permit (MUP) Lifespan and Expiration



Current Provisions	Proposal
A. MUPs generally have a lifespan of 3 years from the date the MUP is ready to be issued by DPD	6 year lifespan
B. MUPs can be renewed for up to 2 years for a total life of 5 years, but in being renewed the MUP must conform to any changes in code requirements	No renewals
C. Once a building permit application is submitted, the lifespan of the MUP is subject to provisions for building permits, which generally allow for longer lifespans than MUPs. When a building permit is submitted, the project does not need to conform to any changes in code requirements	No changes

A photograph of the Seattle skyline, featuring the Space Needle prominently on the left. The city is filled with various high-rise buildings under a clear blue sky. In the foreground, there are green trees and a white building.

MUP Lifespan Extension Legislation

Photo by John Skelton



Seattle Department of
Construction & Inspections

Seattle City Council Land Use Committee
November 29, 2023

SDCI PURPOSE AND VALUES

Our Purpose

Helping people build a safe, livable, and inclusive Seattle.

Our Values

- Equity
- Respect
- Quality
- Integrity
- Service

PROPOSAL GOALS

- Give more time and flexibility for applicants that have received a Master Use Permit (MUP) but need more time to complete the related building permit
- Reduce the uncertainties of future changes in requirements
- Simplify the permit process
- Realize the benefits of new residential and non-residential development

WHY THE PROPOSAL IS NEEDED

- National and regional economic conditions pose challenges to new development projects, including high interest rates, high construction costs, labor challenges, and office vacancies.
- A MUP approves the use, general building appearance, and site plan.
- Building permits address detailed engineering, technical provisions, and life safety.
- Proposal allows more time to complete expensive building permit applications and initiate construction.

AMENDMENTS PROPOSED

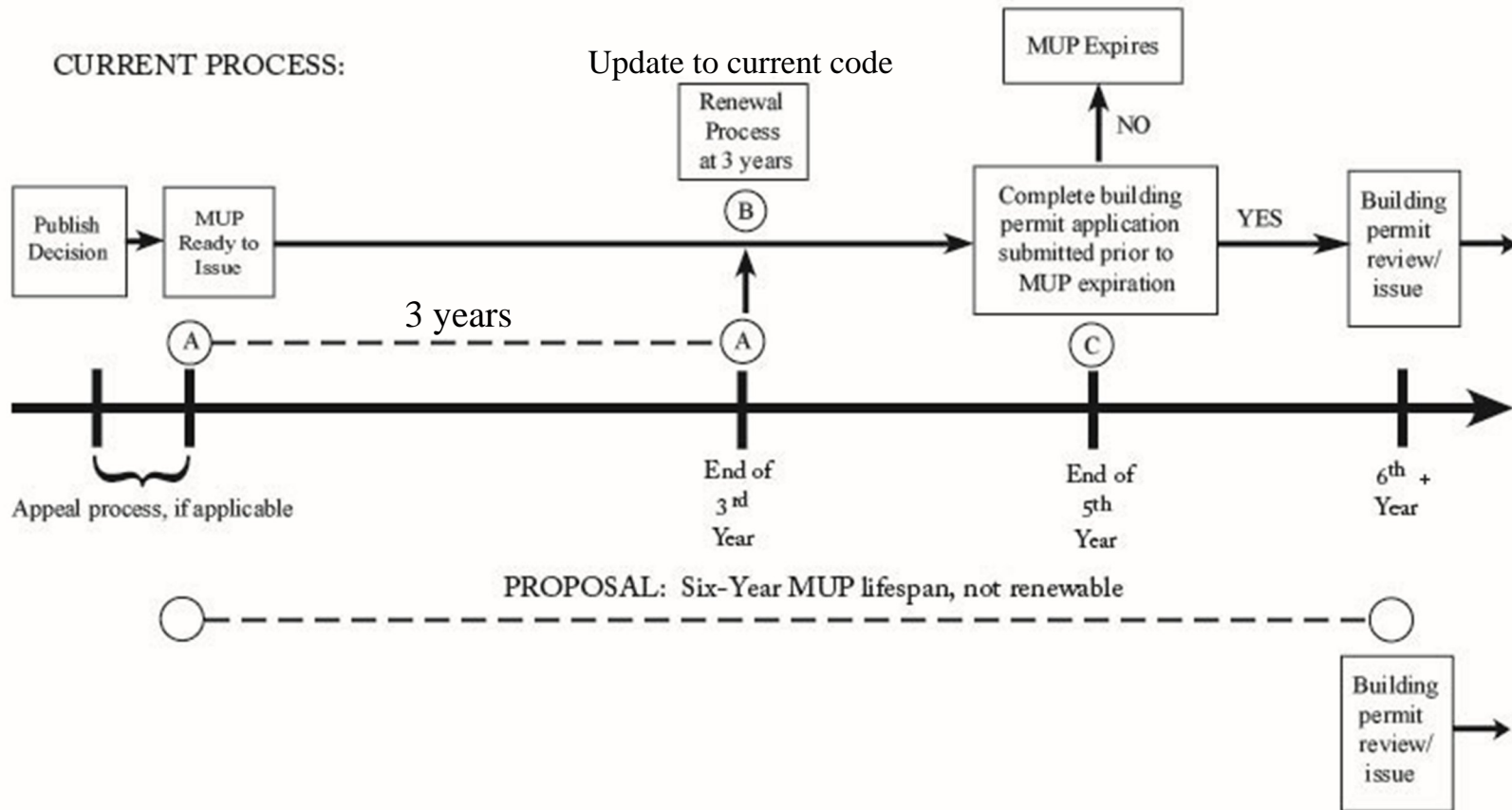
Extend the MUP permit lifespan

- Change the maximum term for most active MUPs from 5 years to 6 years.
- Rather than update MUP after 3 years for an additional 2 years, have the code from MUP decision to apply for 6 years.
- No MUP renewal after six years.

Relationship to building permit review

- Building permit applications not subject to the proposal – must meet current building and life-safety provisions.

CURRENT & PROPOSED MUP LIFESPAN



APPLICABILITY

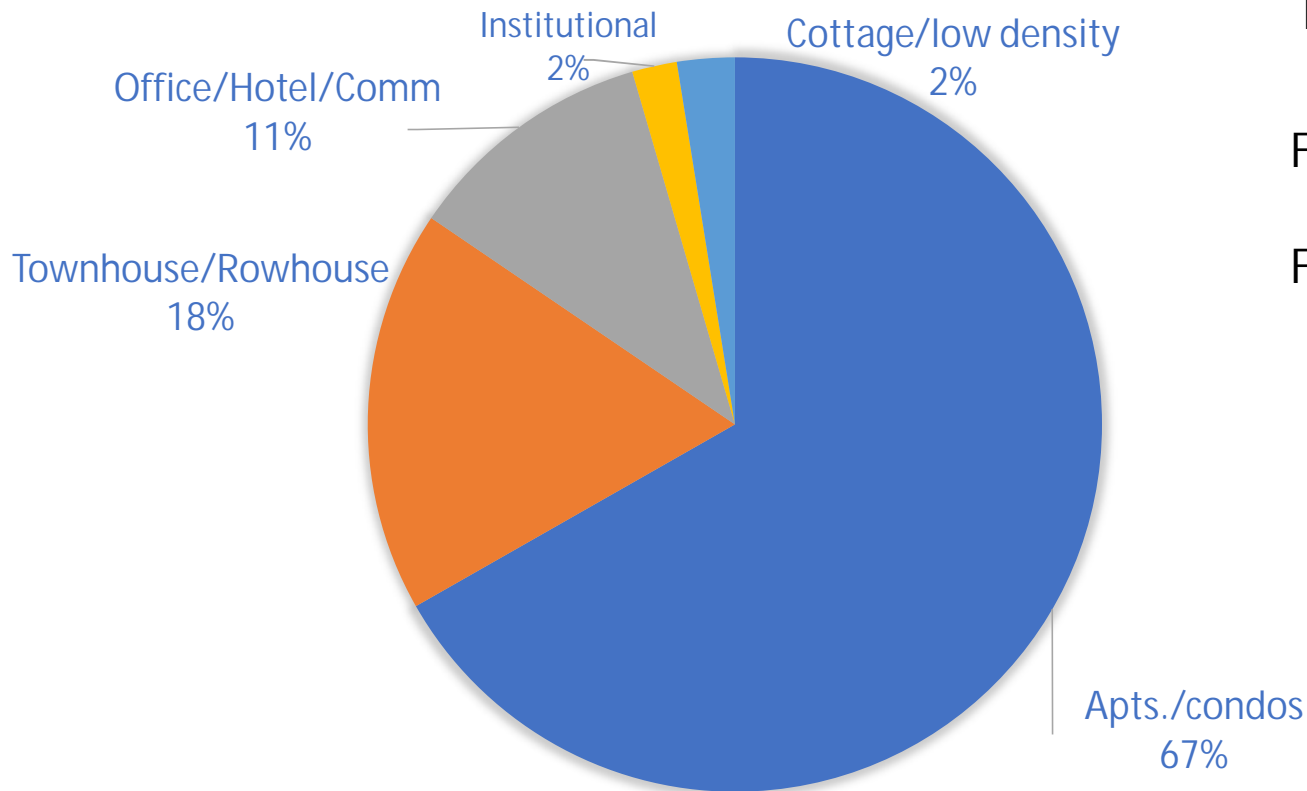
Which MUPs qualify for this proposal?

- MUPs issued since March 1, 2020
- MUPs to be issued through end of 2026
- The permit term would be automatically applied to qualifying projects
- Almost all are subject to MHA requirements, but approximately 11 eligible projects are vested prior to MHA

Does not apply to the following MUPs:

- Shoreline permits
- Variances
- Subdivisions
- Temporary/intermittent use permits

WHO WOULD BENEFIT?



Pending Projects' Timeframe:

With MUP decisions

From 2022 – 2023: 120 MUPs

From 2020 – 2021: 86 MUPs

Without MUP decisions

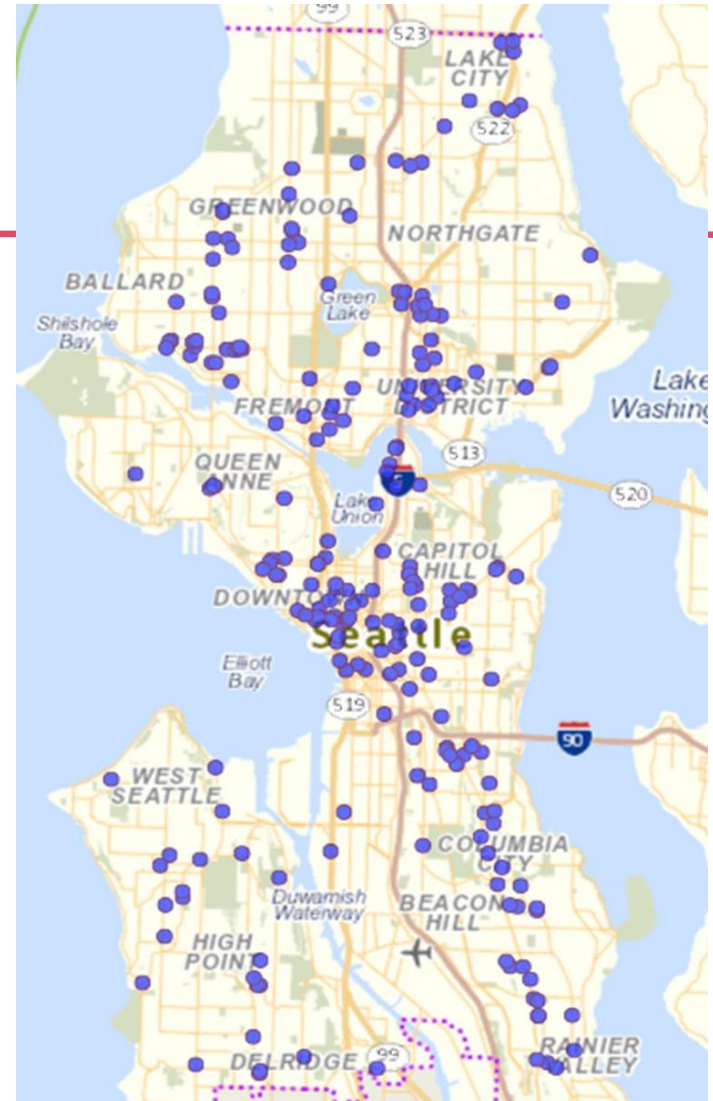
~ 150 projects currently under review

PROJECT SIZE RANGE

	<u>Residential</u>	<u>Non-Residential</u>
Townhouse/rowhouse:	46 projects	--
Lowrise multifamily: (up to 5 stories; 50-65 ft. max. height)	48	4 projects
Midrise multifamily: (6-9 stories; 80-95 ft. max. height)	67	7
Highrise towers: (10-40+ stories; 440-480 ft. max. height)	26	4

PROJECT LOCATIONS

- A diverse range of projects located throughout the city
- Mostly found in downtown, neighborhood business districts, and arterial corridors



QUESTIONS?

Gordon Clowers
Senior Urban Planner
Seattle Department of Construction and Inspections
Gordon.Clowers@Seattle.gov

November 27, 2023

MEMORANDUM

To: Land Use and Neighborhood Committee
From: Ketil Freeman, Analyst
Subject: Council Bill 120674 – Master Use Permit Extensions

On November 29, 2023, the Land Use Committee (Committee) will have an initial briefing on [Council Bill \(CB\) 120674](#), which would extend the life of Master Use Permits approved for issuance from March 1, 2020, to December 31, 2026, from three to six years.

This memo: (1) provides some background information on regulations for Master Use Permit and building permit vesting, duration, expiration, and renewal; (2) describes what CB 120674 would do; and (3) identifies preliminary issues.

Background

To ensure that new development meets the most current land use and construction regulations, permits issued for development have limited lives and, although subject to renewal, can expire if construction does not occur.

Most Master Use Permits (MUPs), which are land use approvals, expire three years from the date approved for issuance.¹ MUPs may be renewed for an additional two years provided they conform with current regulations at the time of renewal.² Issuance of, or submittal of a complete application for, a building permit extends the life of a MUP for the life of the building permit.³ For most projects, a MUP alone does not constitute permission to build. A developer must also obtain a building permit.

Building permits expire 18 months after issuance.⁴ But, they can be renewed if (1) the MUP approval, if any, has not expired and (2) they comply with the most current Building, Mechanical, Fuel, Gas, Energy, Stormwater, Side Sewer, and Grading codes.⁵ The Seattle Department of Construction and Inspections (SDCI) can waive the requirement to comply with the most recent technical codes if work authorized by the permit is delayed by “litigation, appeals, strikes or other extraordinary circumstances... beyond the permit holder’s control.” Such waivers are uncommon.

¹ [Seattle Municipal Code \(SMC\) Section 23.76.029](#).

² [SMC Section 23.76.032.A](#).

³ [SMC Section 23.76.030](#).

⁴ [2018 Seattle Building Code \(SBC\) Section 106.9](#).

⁵ [2018 SBC Section 106.10](#). Compliance with the most recent construction codes is required for renewals made more than 18 months after the date for compliance with the most recent code update cycle.

What CB 120674 Would Do

CB 120674 would amend the Land Use Code (Seattle Municipal Code Title 23) to extend the life of active MUP applications, including those with associated building permits, from three to six years. Qualifying MUPs include those ready for issuance by March 1, 2020, and include current and future applications that will be ready for issuance by December 31, 2026. The extension would also apply to the first phase of Major Phased Developments or Planned Community Developments, which are typically large, multi-building development proposals. Applications that are eligible for the extension would not be able to renew their MUPs. The extension would not apply to temporary use permits, shoreline permits, variances, and subdivisions.

The proposed MUP extensions will allow projects to remain vested longer to land use regulations applicable at the time the MUP vested, meaning that those projects would not be subject to more restrictive land use regulations that the City may identify in the future.

Not including future applications, SDCI estimates the proposed extension would apply to approximately 200 projects with issued MUP decisions and approximately 150 projects that are under review. In 2009 in response to the Great Recession, the City passed [Ordinance 123072](#), which similarly extended the life of MUPs for projects approved for issuance from June 1, 2006, to December 31, 2012.

Preliminary Issue Identification

The proposal would mitigate some hardship for developers associated with post-pandemic changes to real estate markets including increases in interest rates. However, mitigation could come at a cost to the City, including reduced purchasing power of payments made through the Mandatory Housing Affordability (MHA) program and foregone opportunities for future land use regulations identified as being necessary for the public health, safety, and welfare to have as full of an effect. Those issues are discussed below:

MHA Purchasing Power

Projects subject to MHA either provide affordable units on-site or make an in-lieu payment, which is used to fund low-income housing development. A project vests to the payment amount with MUP vesting and makes a payment to the City at building permit issuance. For projects subject to Design Review, which would be the MUP component for the majority of projects that would benefit from the proposal, vesting occurs at early design guidance for most projects.

Early design guidance can occur between 15 months to two years prior to MUP issuance.⁶ MHA payments are adjusted annually on March 1st based on the Consumer Price Index change of the prior calendar year. SDCI currently adjusts MHA payment amounts to current, inflation-adjusted requirements when an applicant renews a MUP. Extending the lives of MUPs subject to MHA will further erode the purchasing power of MHA payments by allowing older projects to maintain a vested right to payment amounts that have not been adjusted for inflation.

⁶ [Permit Timelines Summary Report, at p.2. SDCI. January 2023.](#)

SDCI estimates that the proposal could result in forgone MHA revenue of between \$3.5 to \$5 million from projects that were vested to development standards prior to MHA and would be eligible for extended vesting and reduced MHA payments of between 3 to 5 percent annually for other current and future projects. The Council could consider amendments to the bill to modify MHA payment provisions.

Future Land Use Regulation

Extended vesting would allow current and future MUP holders to lock in land use regulations in place at the time their MUPs vest. Consequently, on a rolling basis as codes are updated, any future regulatory efforts by the City to address public health, safety, and welfare through land use policy and regulation would only apply to some new projects.

The SDCI Director's Report indicates that the proposal is based on the recognition that "national and regional economic conditions lead to uncertainties that may affect development project viability to proceed," and pegs the start date for extended vesting from March 1, 2020, the start of the Covid civil emergency. Mayor Harrell ended the Covid civil emergency on October 31, 2022, when the State ended its civil emergency.

Since March 17, 2022, when the Federal Reserve began raising interest rates to address Covid-related inflation, applicants have known that they would be in an environment of interest rate increases. The Council could consider amendments to the bill to modify the period during which MUPs would be eligible for an automatic extension.

Next Steps

The Committee will have an initial briefing on CB 120674 on November 29, 2023. The Committee will hold a public hearing and may vote on the bill at a special meeting scheduled for December 8, 2023.

cc: Esther Handy, Director
Aly Pennucci, Deputy Director
Yolanda Ho, Supervising Analyst



Legislation Text

File #: CB 120675, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to land use and zoning; amending Section 23.50A.008 of the Seattle Municipal Code to modify the maximum size of use limit for medical services uses in the portion of the Duwamish Manufacturing Industrial Center (MIC) east of Airport Way S.

WHEREAS, legislation implementing land use components of Seattle’s Industrial and Maritime Strategy was approved by the City Council on July 18, 2023, and approved by the Mayor on July 25, 2023; and

WHEREAS, the approved legislation includes a new Chapter 23.50A of the Seattle Municipal Code that establishes new industrial zones and development standards including new maximum size of non-industrial use limits; and

WHEREAS, Evergreen Treatment Services has been located on Airport Way South since 2017 and is an important partner in the City’s efforts to address opioid addiction by providing medication-assisted treatment with wraparound services including medical monitoring, counseling, and drug screens; and

WHEREAS, Evergreen Treatment Services requires the ability to redevelop and increase the size of their medical services use to expand their capacity to provide this important resource; and

WHEREAS, it is a high priority for the City to address the sharp increase in overdoses and deaths stemming from opioid use including fentanyl that have occurred in recent years; and

WHEREAS, the proposed legislation would allow for expansion of medical services uses but is limited to apply only to existing uses and in certain geographic areas so as not to increase pressures to convert industrial land to non-industrial uses; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 23.50A.008 of the Seattle Municipal Code, enacted by Ordinance 126862, is amended as follows:

23.50A.008 Maximum size of nonindustrial use

A. Applicability

1. Except as otherwise provided in this Section 23.50A.008, the maximum size of use limits on gross floor area specified in Table A for 23.50A.008 apply to principal uses on a lot, and apply separately to the categories of uses.

2. In MML zones, the total gross floor area occupied by uses not qualifying as industrial, as shown in Table A for 23.50A.004, shall not exceed 0.4 times the area of the lot or the maximum size of use limit, whichever is less.

3. The combined square footage of any one business establishment located on more than one lot is subject to the size limitations on ~~((non-industrial))~~ nonindustrial uses specified in Table A for 23.50A.008.

4. In the Industry and Innovation zone, the maximum size of use limits in Table A for 23.50A.008 do not apply to development projects gaining any amount of extra floor area under the provision of Section 23.50A.012.

5. Medical services uses in the Duwamish MIC east of Airport Way South established on or before July 18, 2023, and office uses associated with the same medical services use or provider are exempt from the provisions of this Section 23.50A.008 and may redevelop and/or expand on-site and on adjacent sites.

* * *

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

Passed by the City Council the _____ day of _____, 2023, and signed by me in open session in authentication of its passage this _____ day of _____, 2023.

President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2023.

Bruce A. Harrell, Mayor

Filed by me this ____ day of _____, 2023.

Scheereen Dedman, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
Office of Planning and Community Development (OPCD)	Jim Holmes	Christie Parker

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to land use and zoning; amending Section 23.50A.008 of the Seattle Municipal Code to modify the maximum size of use limit for medical services uses in the portion of the Duwamish Manufacturing Industrial Center (MIC) east of Airport Way S.

Summary and Background of the Legislation: In July of 2023 the City updated its industrial zones to implement the Industrial and Maritime Strategy. One feature of the new updated industrial zones is stricter maximum size of use limits for non-industrial uses. Evergreen Treatment Services was established in 2017 on Airport Way South in the Duwamish Manufacturing Industrial Center and may in the future seek to construct a larger facility. However, the more limiting new maximum size of use limit on medical services would prevent Evergreen from expanding. Evergreen Treatment Services is an important partner in the City’s efforts to address opioid addiction by providing medication-assisted treatment with wraparound services including medical monitoring, counseling, and drug screens. It is a high priority for the City to address the sharp increase in overdoses and deaths stemming from opioid use including fentanyl that have occurred in recent years. The proposed legislation would allow for expansion of medical services uses but is limited to apply only to existing uses and in geographic area so as not to increase pressures to convert industrial land to non-industrial uses. The ordinance would exempt medical service uses and associated offices from size of use limits. There are no other existing medical services uses in the geography where the exemption is permitted besides Evergreen Treatment Services.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes X No

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.

Are there financial costs or other impacts of *not* implementing the legislation?

No.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

The Seattle Department of Construction and Inspections (SDCI) applies the land use code to specific project proposal and will be responsible for implementing the proposed amendment.

b. Is a public hearing required for this legislation?

Yes.

c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

Yes.

d. Does this legislation affect a piece of property?

The legislation applies to all industrial zoned land east of Airport Way South and located within the Greater Duwamish Manufacturing Industrial Center.

e. 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?

There are no residential uses in the subarea and no communities will be harmed by displacement through the redevelopment and expansion of medical service uses.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No. Any future project will go through a SEPA review to determine if there are project specific impacts related to carbon emissions.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

The proposed amendment will have no effect on Seattle's resiliency.

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)?

Not applicable.



Seattle

Medical Services Uses in Industrial Zones

**Seattle Office of Planning and Community Development (OPCD)
Director's Report and Recommendation
October 2023**

Overview

In July of 2023 the City updated its industrial zones to implement the Industrial and Maritime Strategy. One feature of the new Seattle Municipal Code Chapter 23.50A industrial zones is stricter maximum size of use limits for non-industrial uses. Evergreen Treatment Services was established in 2017 on Airport Way South in the Duwamish Manufacturing Industrial Center and may in the future seek to construct a larger facility. However, the more limiting new maximum size of use limit on medical services would prevent Evergreen from expanding. Evergreen Treatment Services is an important partner in the City's efforts to address opioid addiction by providing medication-assisted treatment with wraparound services including medical monitoring, counseling, and drug screens. It is a high priority for the City to address the sharp increase in overdoses and deaths stemming from opioid use including fentanyl that have occurred in recent years. The proposed legislation would allow for expansion of medical services uses but is limited to apply only to existing uses and in geographic area so as not to increase pressures to convert industrial land to non-industrial uses. The ordinance would exempt medical service uses and associated offices from size of use limits. There are no other existing medical services uses in the geography where the exemption is permitted besides Evergreen Treatment Services.

Purpose of Size of Use Limits in Industrial Zones

The City of Seattle remains committed to limiting the size of non-industrial uses in industrial areas as one of a set of policies intended to protect industrial land and ensure it is available for existing and future industrial uses. Competition for industrial land in Seattle has been an ongoing potential source of industrial displacement that could compromise the City's industrial sector. Because non-industrial uses generally can pay higher rent than industrial uses can, allowing non-industrial uses in industrial zones places upward pressure on the price of industrial land. Further, as non-industrial projects proliferate in industrial zones, it increases speculation that zoning may be changed further. This speculation places additional upward pressure on industrial land prices – pricing them out of reach for industrial users seeking to expand or simply to continue to afford their rent.

Non-industrial size of use limits were introduced with a new industrial zoning framework in 1987 to limit the size of use for retail or office uses. In July of 2023, the City Council adopted a new land use

framework for industrial land and retained maximum size of use limits as a tool to limit encroachment by non-industrial uses in its industrial areas.

The table below shows the current land use categories subject to size of use limits and maximum size allowed in the relevant Maritime, Manufacturing and Logistics (MML) zone.

Use subject to size limits	Maximum Size of Use Limit			
	MML	II	UI	IC
Animal shelters and kennels	10,000 sq. ft.	N.S.L	10,000 sq. ft.	N.S.L
Drinking establishments	3,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.	N.S.L.
Entertainment	10,000 sq. ft.	10,000 sq. ft. except 25,000 in II 85-240	25,000 sq. ft.	50,000 sq. ft.
Lodging uses	N/A	25,000 sq. ft.	25,000 sq. ft.	75,000 sq. ft.
Medical services	10,000 sq. ft.	25,000 sq. ft.	25,000 sq. ft.	N.S.L.
Office	10,000 sq. ft.	10,000 sq. ft.	15,000 sq. ft.	N.S.L.
Restaurants	3,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.	N.S.L.
Retail sales, major durables	10,000 sq. ft.	15,000 sq. ft.	15,000 sq. ft.	N.S.L.
Sales and services, automotive	10,000 sq. ft.	25,000 sq. ft.	75,000 sq. ft.	75,000 sq. t.
Sales and services, general	7,500 sq. ft.	7,500 sq. ft.	7,500 sq. ft.	50,000 sq. ft.

Proposed Amendment

The proposed amendment provides an exemption to the size of use limits for medical service uses and associated offices established on or before July 18, 2023. This exemption would enable Evergreen Treatment Services to expand their facility through redevelopment. The exemption includes a geographic limit that requires the facility to be east of Airport Way South. There are no other medical service uses in this geography and the exemption would not result in a proliferation of large medical service uses throughout the industrial area. The amendment is proposed because of the unique and acute public health need for addiction treatment services that is present currently.

Evergreen Treatment Services

Approval of the proposal would facilitate the redevelopment and expansion of Evergreen Treatment Centers' existing facility on Airport Way South. This facility currently serves upwards of 1,300 patients

per day making it the largest single-site opioid treatment program in King County. Approximately 40 percent of the patient population is unstably housed. A potential future expansion of Evergreen Treatment Services would increase treatment capacity for the population most at-risk for fatal overdose. Planning for future redevelopment of the site has been supported through grant funding from the City of Seattle and the State of Washington. A potential future expansion could allow for an increase of patient capacity and integration of primary care, and improved patient retention/overdose reduction.

Recommendation

OPCD recommends adoption of this amendment. Providing a pathway for Evergreen Treatment Services to redevelop and expand will enable them to address the opioid treatment needs of Seattle community members. Although medical services are not an industrial use and therefore a minor incompatibility with land use policy could be incrementally increased, the public benefit provided by directly addressing a pressing public health need outweighs the potential impact. Limits in the proposed legislation ensure that the amendment would not compromise the intent of the size of use limits for non-industrial uses in industrial areas.

November 17, 2023

MEMORANDUM

To: Land Use Committee
From: Lish Whitson, Analyst
Subject: Council Bill 120675: Duwamish Medical Service Use Size Limits

On Wednesday, November 29, the Land Use Committee will receive a briefing on [Council Bill \(CB\) 120675](#), which would allow existing medical service uses in portions of the Duwamish Manufacturing/Industrial Center (MIC) east of Airport Way S to expand. Attachment 1 shows the extent of the area affected by CB 120675.

CB 120675 would amend the new maximum size of use limits adopted under the Industrial and Maritime strategy as part of [Ordinance 126862](#). The size of use limits are intended to limit the spread of non-industrial uses in industrial areas - particularly in the new Manufacturing Maritime and Logistics (MML) zone. The MML zone limits the size of medical service uses and office uses to 10,000 square feet or 0.4 times the area of the lot, whichever is less.

CB 120675 would remove these maximum size of use limits for existing medical service uses east of Airport Way South within the Duwamish MIC that seek to expand on site or on abutting lots. It would also allow any associated office space to expand on site or on abutting lots. It is intended to allow Evergreen Treatment Services (ETS) to expand their clinic, located in an MML zone on the east side of Airport Way South at Holgate Street. The ETS clinic provides medication-assisted treatment for opioid use disorders.

CB 120675 would only apply to industrial zones that are located east of Airport Way South. Airport Way runs approximately one block west of Interstate 5, between S Charles St, at the south end of the Chinatown/International District and the southern City limits. This area is mostly one block wide and 6.5 miles long. The Office of Planning and Community Development (OPCD) has not identified any other medical service uses in this area, but the Council could limit any unintended impacts of the bill by adding a southern boundary, such as S Holgate Street (the southern end of the ETS property) or S Spokane Street.

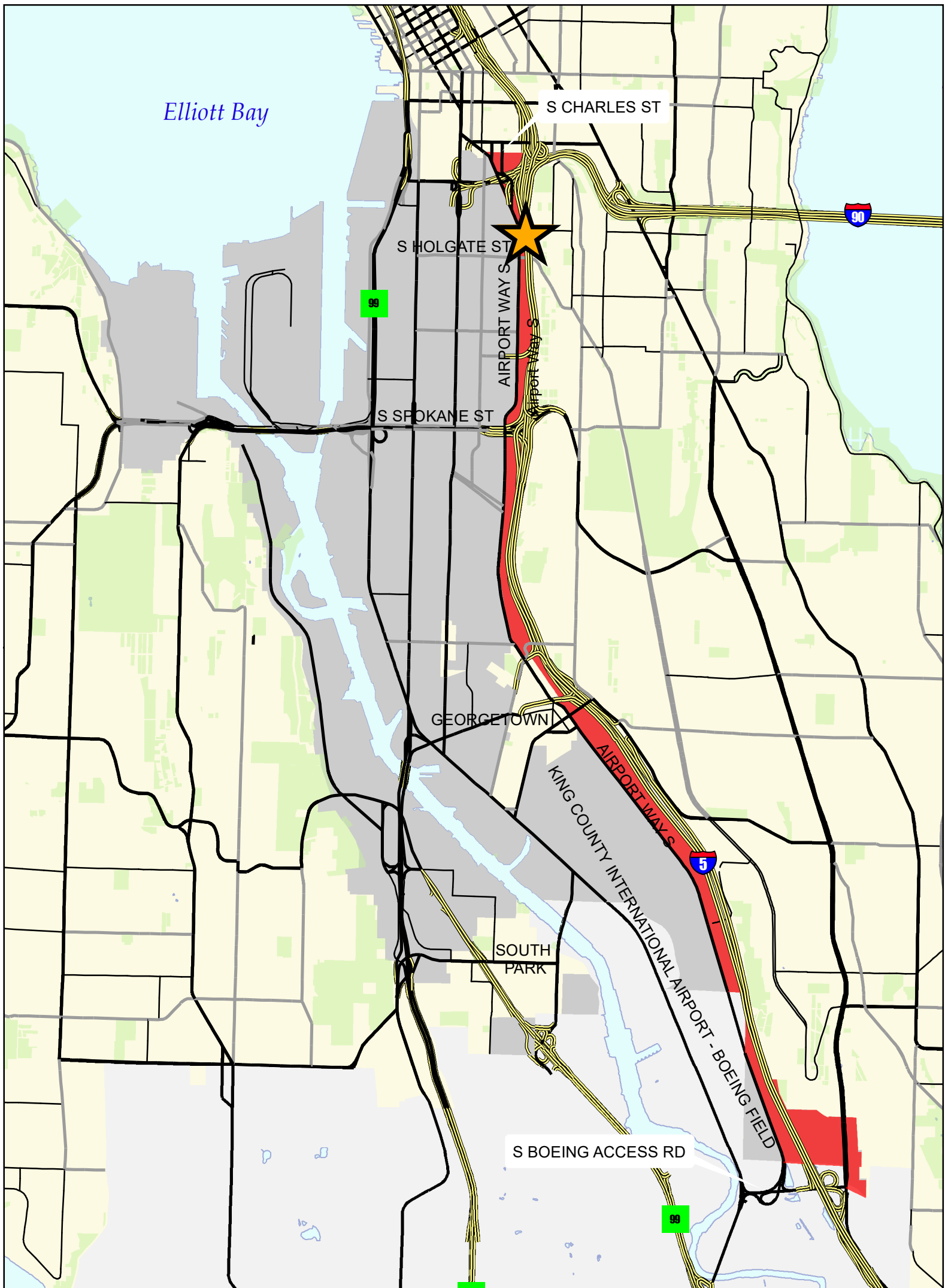
Next Steps

The Land Use Committee will hold a public hearing on December 8. at which meeting the committee may vote on the bill.

Attachment:

1. Area affected by CB 120675

cc: Esther Handy, Director
Aly Pennucci, Deputy Director
Yolanda Ho, Lead Analyst



AREA AFFECTED BY CB 120675

- Duwamish MIC
- Duwamish MIC east of Airport Way
- City of Seattle
- Evergreen Treatment Services

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Medical Service Uses in the MML Zone Seattle City Council November 29, 2023



City of Seattle

Medical Services Size of Use Amendment

- Proposed amendment exempts existing medical service uses from size of use limits in the Maritime, Manufacturing, and Logistics (MML) zone (SMC 23.53A.008).
- Locational and establishment criteria limit where the amendment applies to prevent proliferation of new medical service uses on industrial land.
- The proposed amendment facilitates expansion of an existing opioid treatment service provider serving downtown Seattle.



Size of Use Limits

- Enacted for industrial zones in 2006 and revised in recently adopted Industrial and Maritime Legislation which maintained the same size of use limit for medical services.
- Intent of size of use limits is to limit incompatible uses that have potential to result in displacement of industrial uses.

Maximum Size of Use Limit				
Use subject to size limits	MML	II	UI	IC
Animal shelters and kennels	10,000 sq. ft.	N.S.L.	10,000 sq. ft.	N.S.L.
Drinking establishments	3,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.	N.S.L.
Entertainment	10,000 sq. ft.	10,000 sq. ft. except 25,000 in II 85-240	25,000 sq. ft.	50,000 sq. ft.
Lodging uses	N/A	25,000 sq. ft.	25,000 sq. ft.	75,000 sq. ft.
Medical services	10,000 sq. ft.	25,000 sq. ft.	25,000 sq. ft.	N.S.L.
Office	10,000 sq. ft.	10,000 sq. ft.	15,000 sq. ft.	N.S.L.
Restaurants	3,000 sq. ft.	3,000 sq. ft.	3,000 sq. ft.	N.S.L.
Retail sales, major durables	10,000 sq. ft.	15,000 sq. ft.	15,000 sq. ft.	N.S.L.
Sales and services, automotive	10,000 sq. ft.	25,000 sq. ft.	75,000 sq. ft.	75,000 sq. t.
Sales and services, general	7,500 sq. ft.	7,500 sq. ft.	7,500 sq. ft.	50,000 sq. ft.



Limiting Locational Criteria

- Medical Service Uses established on or before July 18.
- Only on land located east of Airport Way S.
- Only one existing medical service use satisfies these criteria.

