

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
SDCI	Shane Muchow	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 fees and charges for permits and activities of the Seattle Department of Construction and Inspections, related fees by other departments, and technical corrections; adding a new Chapter 22.900I to the Seattle Municipal Code; and amending Sections 22.210.060, 22.900A.010, 22.900A.020, 22.900A.065, 22.900B.010, 22.900B.020, 22.900C.010, 22.900D.010, 22.900D.110, 22.900D.140, 22.900D.160, 22.900E.020, 22.900E.030, 22.900E.050, 22.900F.010, 22.900H.020, 22.900H.050, 22.900H.060, and 22.900H.080 of the Seattle Municipal Code.

**Summary and Background of the Legislation:**

This legislation revises a portion of SDCI’s fees and charges beginning on January 1, 2024. The majority of SDCI’s fees and charges were last revised in Ordinance 126709 effective January 1, 2023, which provided a compounded inflationary adjustment of 9.16% as fees had not been adjusted for inflation since January 1, 2020. The proposed 2024 fee revisions include an inflationary adjustment of 2% and other changes.

SDCI is proposing several fee increases to keep up with the cost of doing business. These increases include Vacant Building Monitoring (VBM) fees and most Rental Registration and Inspection Ordinance (RRIO) fees as follows:

<b>Fee Type</b>	<b>Current Fee</b>	<b>Proposed Fee</b>
<b>Vacant Building Monitoring Fees</b>		
Building is closed to entry and premises are in compliance with applicable codes	\$296.75	\$332.36
Building is closed to entry and premises are not in compliance with applicable codes	\$493.80	\$651.82
Building is not closed to entry regardless of compliance with applicable codes	\$592.30	\$781.84
<b>Rental Registration and Inspection Fees</b>		
Property Fee	\$70	\$110
Each additional rental unit on same property	\$15	\$20
Private inspector training	\$200	\$300
Registration as qualified private inspector	\$250	\$300
SDCI-performed inspection – first unit	\$175	\$210
SDCI-performed inspection – each additional unit on same property	\$35	\$40
Receipt and processing of an inspection certificate by private inspector	\$40	\$50

The changes to Rental Registration and Inspections Fees are estimated to closely align with the cost of business; however, they are not anticipated to immediately close the program’s current deficit. So long as future inflationary adjustments are made, the deficit is projected to be erased within ten years.

SDCI is proposing a 50% reduction of Hazardous Tree Removal Fees in order to promote accessibility of service and align costs with the amount of work performed.

SDCI also proposes a couple of new fees to establish a cost recovery mechanism for services not previously captured by fees. The creation of a new Tenant Relocation Assistance Ordinance (TRAO) application fee will be charged to permit applicants who are redeveloping rental properties and owners of buildings who are removing a rent restriction. This fee, set at \$257 plus \$321.25 for every unit from which a tenant is eligible to apply for assistance, will be used to fund a new staff position and is intended to speed up TRAO permit processing. Another new \$128.50 fee creates a cost recovery mechanism to renew or reestablish a fire sprinkler permit, which is a service not previously captured in other mechanical permit renewal fees.

SDCI is primarily fee-supported, and its fees and charges are necessary to support SDCI’s permitting operations. All fees collected by SDCI for processing SDCI’s permits are used for that purpose, and the fee structure is reflective of the Seattle Municipal Code requirements to recover the cost of providing the permitting service. Similarly, other fees are set to recover the costs of certain code enforcement activities. This legislation will help ensure that the fees that SDCI collects are in line with the services provided.

Attachment A to this Summary and Fiscal Note, “SDCI Permit Fee and Charges proposed for 2024” provides a summary of all SDCI fees affected by this ordinance. Prior to developing this legislation, these fees were reviewed to determine whether the cost of providing the service warrants a fee change, if improvements to the fee structure are necessary, or if new fees are required.

**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

Appropriation change (\$):	General Fund \$		Other \$	
	2023	2024	2023	2024
	\$0	\$0	\$0	\$0
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2023	2024	2023	2024
	\$0	\$0	\$0	\$1,790,412

Positions affected:	No. of Positions		Total FTE Change	
	2023	2024	2023	2024
	0	0	0	0

**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?**

Not implementing this legislation would create a situation where the revenues SDCI collects through fees would not align with the cost of providing permitting services. Without the proposed fee increases SDCI would be required to reduce services or programs. Such reductions would impact the department’s ability to perform its permitting and enforcement responsibilities and delay service to customers.

**3.a. Appropriations**

     This legislation adds, changes, or deletes appropriations.

**3.b. Revenues/Reimbursements**

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

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

**Revenue/Reimbursement Notes:**

Fund Name and Number	Dept	Revenue Source	2024 Estimated change in Revenue
Construction and Inspections Fund (48100)	SDCI	Boiler	\$35,233
Construction and Inspections Fund (48100)	SDCI	Building Development	\$128,718
Construction and Inspections Fund (48100)	SDCI	Elevator	\$110,574
Construction and Inspections Fund (48100)	SDCI	Land Use	\$37,157
Construction and Inspections Fund (48100)	SDCI	Noise	\$9,389
Construction and Inspections Fund (48100)	SDCI	Other Miscellaneous*	\$476,847
Construction and Inspections Fund (48100)	SDCI	RRIO	\$821,001
Construction and Inspections Fund (48100)	SDCI	Signs	\$10,817
Construction and Inspections Fund (48100)	SDCI	Site Review & Development	\$160,677
<b>TOTAL</b>			<b>\$1,790,412</b>

\* Other Miscellaneous includes adjustments for TRAO fee (\$208,341) and Vacant Building Monitoring (\$257,613) as well as other minor changes.

### 3.c. Positions

\_\_\_ This legislation adds, changes, or deletes positions.

### 4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?  
No
- b. Is a public hearing required for this legislation?  
No
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?  
No
- d. Does this legislation affect a piece of property?  
No
- 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?  
By regularly reviewing fees, SDCI is able to ensure that the fees it sets appropriately cover the costs of the services it provides. Additionally, a 2% inflationary increase allows SDCI to continue to pay staff at more equitable wages.
- f. Climate Change Implications
1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?  
No
  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.  
There is no impact anticipated on Seattle's ability to adapt to climate change.
- 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 legislation does not include a new initiative or major programmatic expansion.

#### Summary Attachments:

Summary Attachment A – SDCI Permit Fees and Charges Proposed for 2024