

# Seattle Department of Construction & Inspections

## 2026 Proposed Budget Overview

Seattle City Council Select Budget Committee



**City of Seattle**

# Seattle Department of Construction and Inspections (SDCI)

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

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

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

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

# Overview

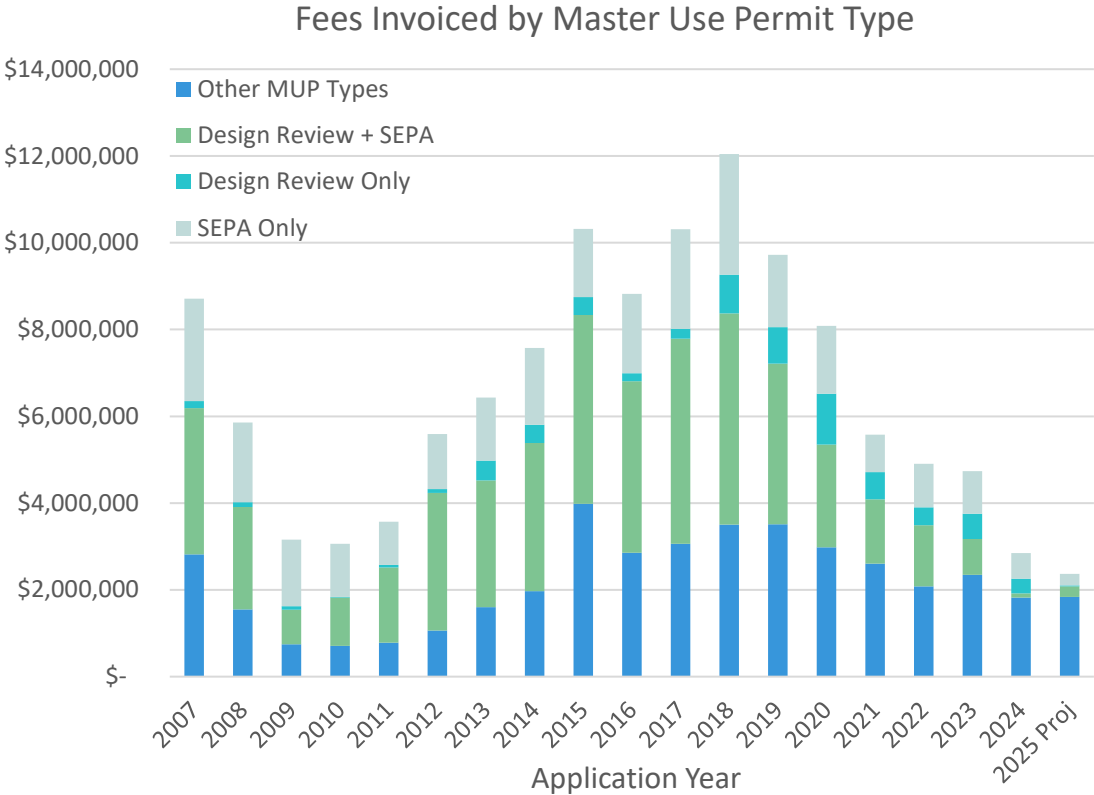
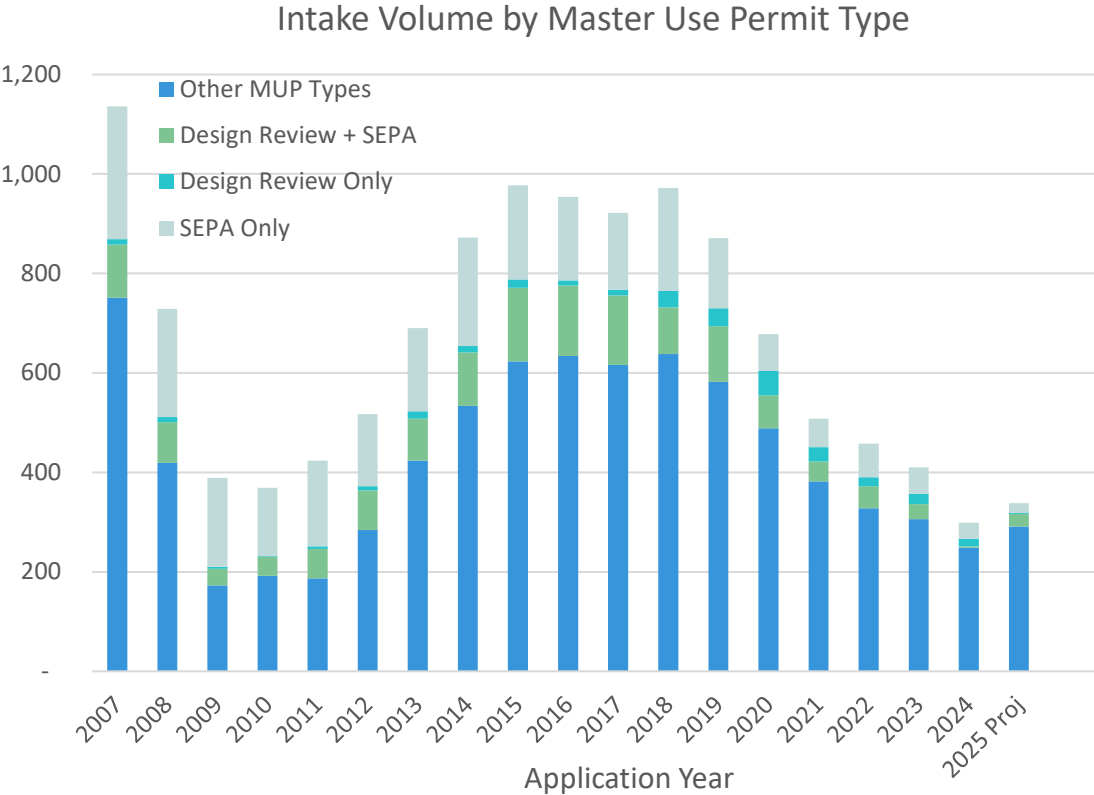
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- ❖ SDCI is funded 91% by permit fees and 9% by General Fund resources.
- ❖ State law requires SDCI to set fees that recover service costs and limits use of permit fee revenue to fee-supported services.
- ❖ SDCI is focused on delivering the Mayor’s PACT initiative, preparing for Sound Transit permit work, and sustaining services while meeting Citywide reduction targets.

TOTAL BUDGET (\$000s)	2025 Adopted	2026 Endorsed	2026 Proposed
General Fund	\$8,347	\$8,739	\$9,103
Other Funds	\$114,128	\$118,036	\$116,889
FTE	462.0	462.0	452.0

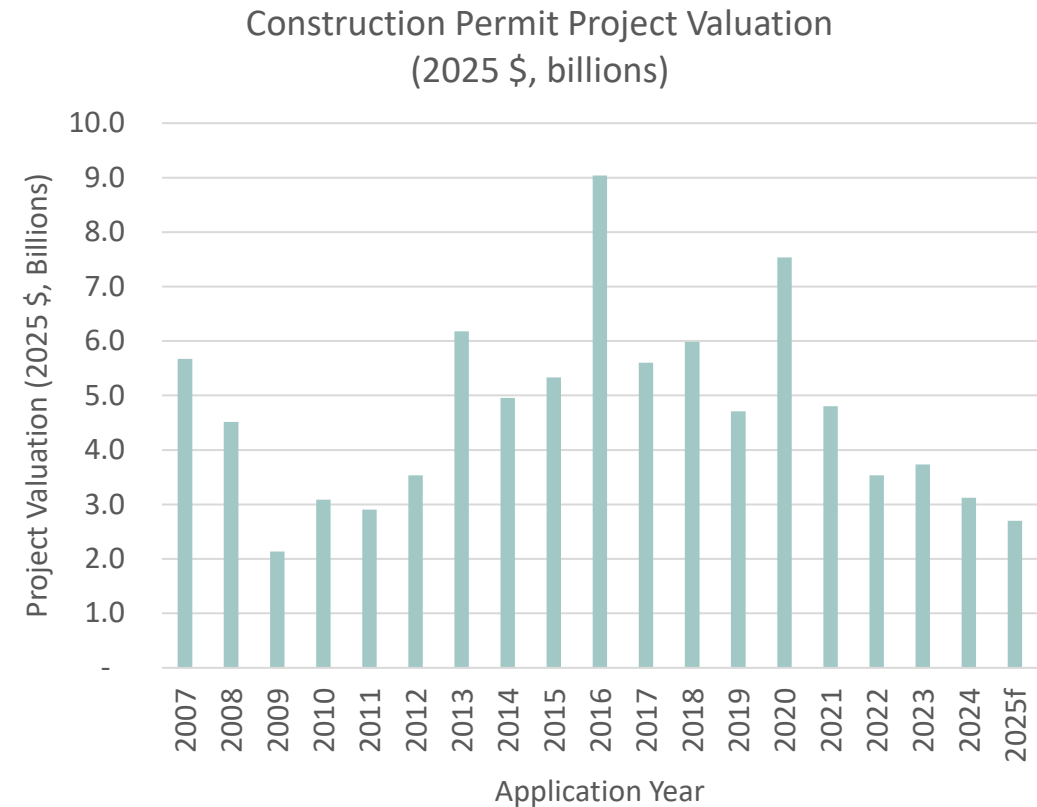
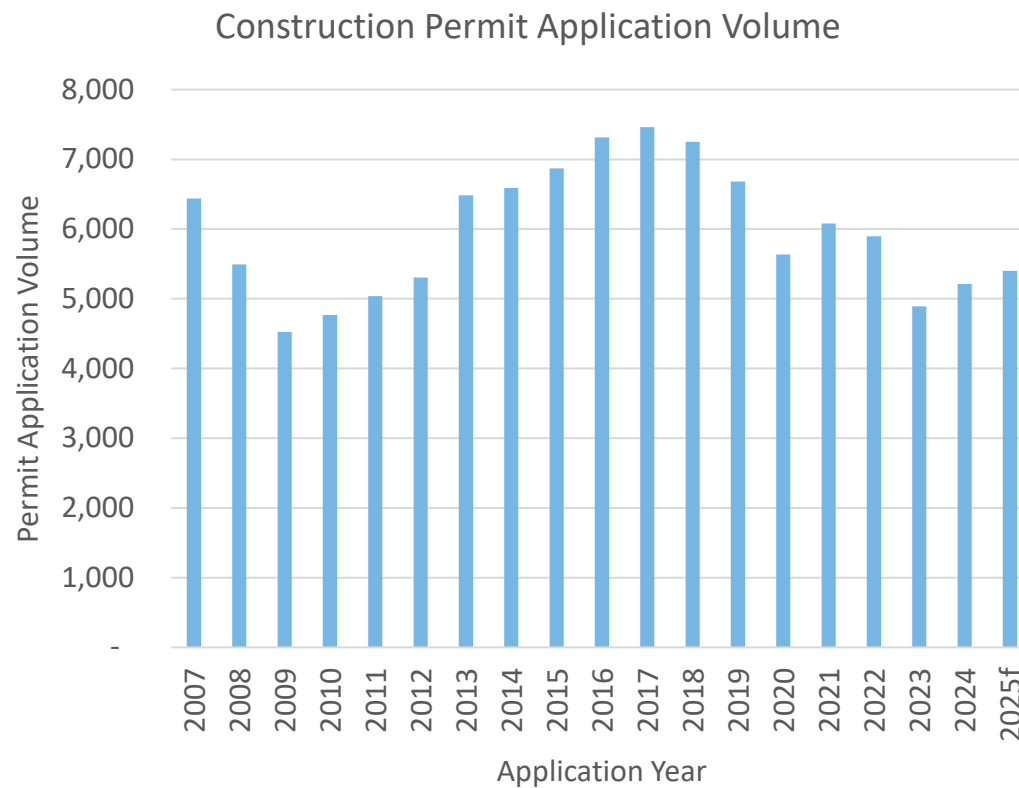
# Master Use Permit Applications

2025 projected MUP application volumes are expected to be 65% lower than 2019 levels, while construction permit applications are projected to be 20% lower across the same period.



# Construction Permit Applications

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



# Fee Adjustments

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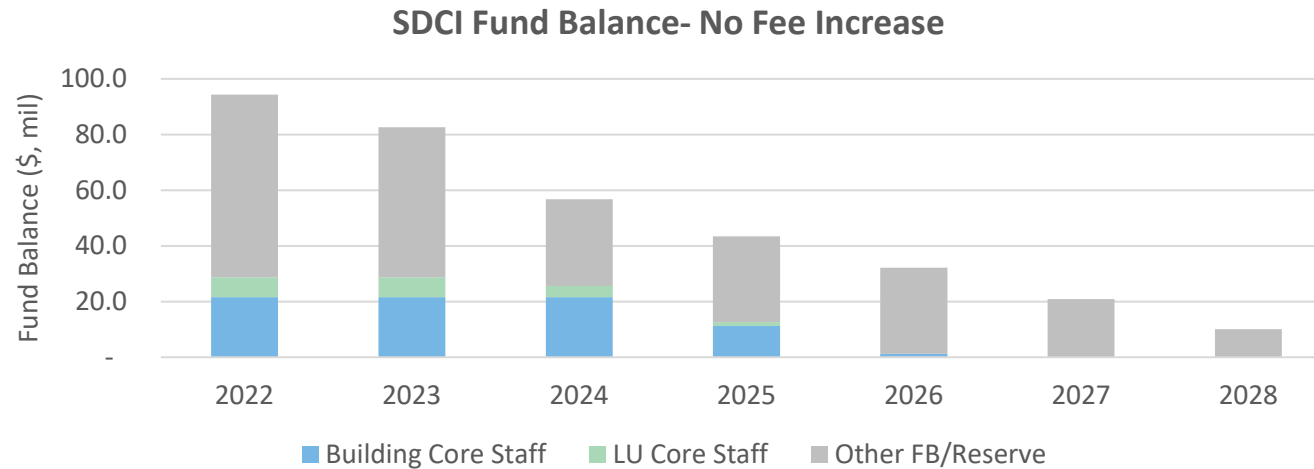
## 2026 Fee Legislation

- **Permit Fee Adjustments:** SDCI proposes an 18% increase to most Construction and Master Use Permits, along with updates to Land Use, Electrical, and Rental Registration fees.
  - Changes address reduced revenue from project mix and policy shifts, sustain core permitting services, and align fees with actual program costs.
- **Equity & Simplification:** Introduces an incentive for URM retrofits, simplifies pre-application and tree/land use fees, and streamlines electrical fee tables.
  - Changes improve customer clarity, reduce errors, and ensure fair cost recovery across all fee payers.

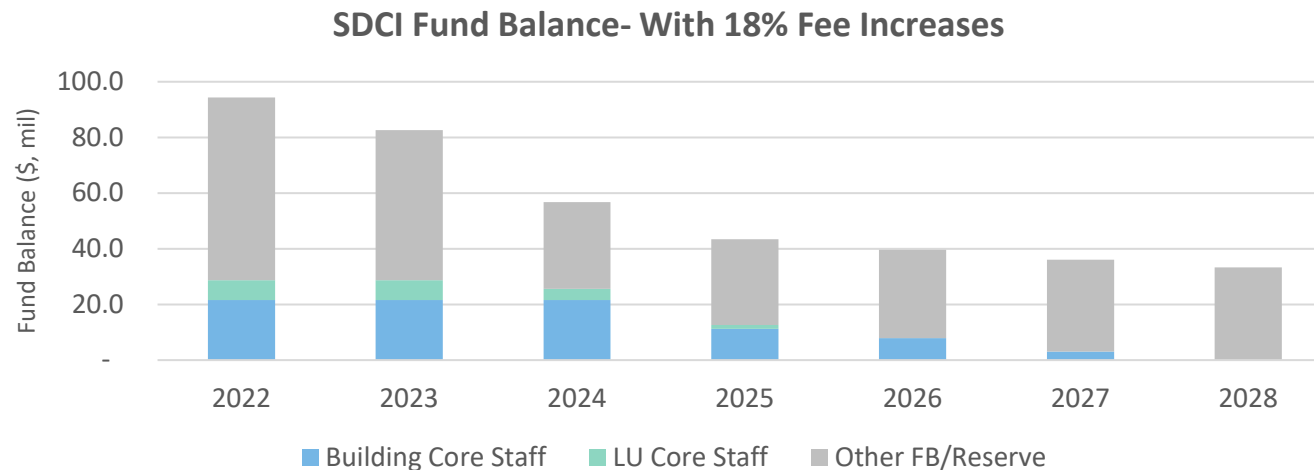
# Fee Impact: Construction Permits

<b>500 Square Foot DADU</b>	<b>2025</b>	<b>2026 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
Plan Review and Permit Fee	\$2,908	\$ 3,451	\$543	18.7%
Housing Units	1	1		
Fee Per unit	\$2,908	\$3,451	\$543	18.7%
SqFt per Unit	500	500		
<b>4,500 Square Foot 4 Unit Townhouse</b>	<b>2025</b>	<b>2026 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
Plan Review and Permit Fee	\$12,214	\$14,454	\$2,240	18.3%
Housing Units	4	4		
Fee Per unit	\$3,054	\$3,614	\$560	18.3%
SqFt per Unit	1,125	1,125		
<b>150,000 Square Foot 230 Unit Apartment w/ Parking</b>	<b>2025</b>	<b>2026 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
Plan Review and Permit Fee	\$274,486	\$324,775	\$50,289	18.3%
Housing Units	230	230		
Fee Per unit	\$1,193	\$1,412	\$219	18.3%
SqFt per Unit	652	652		

# Fund Balance Impact



Without Building and Land Use Fee increases, SDCI's core staffing reserve will be exhausted in 2026 and the overall SDCI permit fund is at risk of exhausting in 2027-2028



Fee increases will slow drawdown of reserves and fund balance while SDCI evaluates resource needs

# Right-sizing Staffing

## Defund Vacant Positions on Process Improvement Team

- Right-size staffing to reduce fee burden.
- Positions have been vacant since 2024 with duties absorbed by existing staff; no service interruption to core services is expected.
- Position authority preserved for future strategic needs when resources allow.

	((\$000s)	2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
General Fund		--	--	--	--
Other Funds		\$0	\$0	(\$386)	N/A
FTE		--	--	--	N/A

# Significant Additions

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## 1. Permitting Accountability and Customer Trust (PACT) IT Costs

- \$500k one-time cost of acquisition and implementation of AI permitting improvement technology. Software will improve the applicant experience and strengthen permit submittals.
- \$250k ongoing costs to support integration with existing systems and licensing/subscription costs

	((\$000s))	2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
General Fund		\$0	\$0	\$750	N/A
Other Funds		--	--	--	--
FTE		--	--	--	--

# Significant Additions

## 2. Develop Incentive Program for Private Property Owners to Preserve Trees

- This proposal adds \$100,000 ongoing to develop a conservation easement program incentivizing tree preservation on private property, in partnership with external stakeholders.
- To support an Executive Order recognizing trees' value and directing policies to preserve significant species and groves on private property.
- The funding may be used for consulting support or contracting with a non-profit partner.
- Additional City funding and staffing support will likely be necessary to fully operationalize.

	(\$000s)	2025 Adopted	2026 Endorsed	2026 Proposed	% Change (Endorsed to Proposed)
General Fund		--	--	\$100	N/A
Other Funds		--	--	--	--
FTE		--	--	--	--

# Summary

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- SDCI will focus on key priorities including advancement of the Mayor's PACT initiative and preparing for Sound Transit expansion workload.
- SDCI will sustain core service delivery, invest in process improvements, and ensure a financially sustainable plan aligned with Citywide priorities.
- SDCI is currently in a leadership transition.

# Questions?