SEATTLE CITY COUNCIL
CENTRAL STAFF

Seattle Department of Construction and Inspections

2027–2028 Proposed Budget
Policy Considerations

Select Budget Committee | October 13, 2026

Ketil Freeman, Analyst

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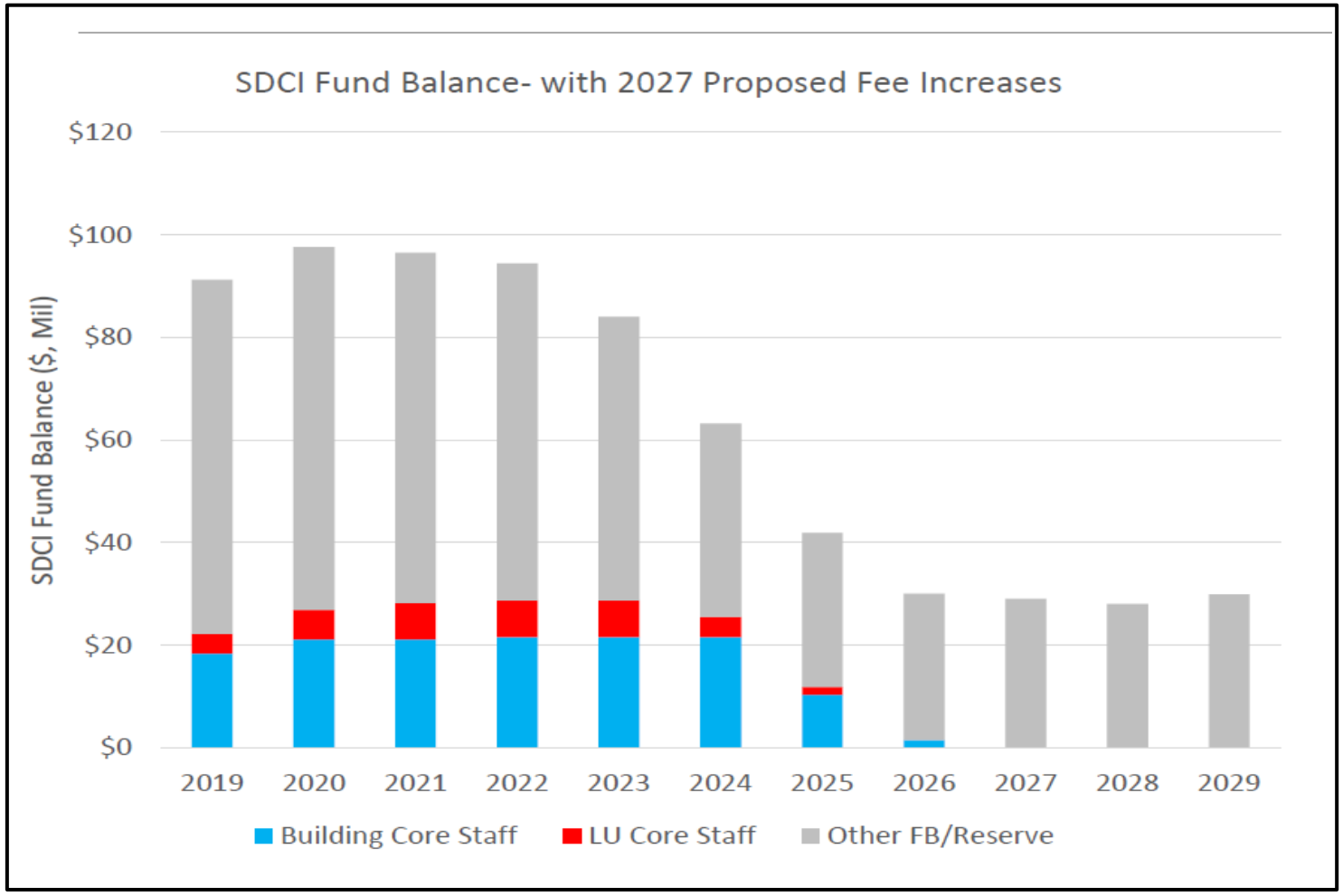
Budget Summary

	2026 Adopted	2027 Proposed	% Change	2028 Proposed	% Change
Operating Appropriations by BSL					
Compliance	$16.7M	$18.0M	8.2%	$17.9M	(0.6%)
Customer Success	$12.6M	$11.5M	(9.1%)	$11.5M	0.0%
Govt. Policy, Safety & Support	$3.0M	$3.0M	1.5%	$3.0M	0.0%
Inspections	$34.7M	$34.0M	(2.2%)	$34.0M	0.0%
Land Use & Engineering Services	$45.6M	$41.5M	(8.9%)	$41.2M	(0.7%)
Leadership and Administration	$0.0M	$0.0M	0%	$1.1M	n/a
Process Improvements	$3.7M	$2.8M	(23.5%)	$2.8M	0.0%
Technology Investments	$10.6M	$9.5M	(10.9%)	$8.8M	(6.9%)
Operating Subtotal	**$126.9M**	**$120.3M**	**(5.2%)**	**$120.4M**	**0.0%**

Budget Summary

	2026 Adopted	2027 Proposed	% Change	2028 Proposed	% Change
Appropriation Totals (Operating + Capital)					
Total Appropriations	**$126.9M**	**$120.3M**	**(5.2%)**	**$120.4M**	**0.0%**
Total FTE	**452**	**422**	**(7%)**	**422**	**0%**
Revenues					
General Fund	$9.2M	$8.2M	(11.70%)	$7.9M	(3.4%)
JumpStart Fund	$1.6M	$2.8M	75.30%	$2.8M	(0.0%)
Other Source(s)	$116.0M	$109.0M	(5.80%)	$109.7M	0.3%
Total Revenues	**$126.9M**	**$120.3M**	**(5.2%)**	**$120.4M**	**0%**

Construction and Inspections Fund – Use of Fund Balance and Reserves



Policy Consideration

1. **Health of the Construction and Inspections Fund**

   SDCI's 2027 - 2028 Proposed Budget relies on fee increases and layoffs. The financial plan for the Construction and Inspections Fund indicates that SDCI has a core staffing reserve of $12 million in 2026. That reserve, even with the proposed fee increases and layoffs, would be drawn down to $8 million in 2027 and $1 million in 2028. Absent significant changes in permitting volumes and values, after 2028 the core staffing reserve would be depleted.

   Options:

   A. Continue requiring that SDCI provide quarterly reporting on the health of the Construction and Inspections Fund.

   B. Request that SDCI develop legislation establishing fund policies for the Construction and Inspections Fund that address core staffing levels by function, levels for reserves, and thresholds for seeking fund supplementation through fee increases or General Fund support.

   C. Both A and B.

   D. No change.

Policy Consideration

2. Code Development Resources and Non-compliance with State Mandates

The Office of Planning and Community Development (OPCD) and SDCI share responsibility for developing changes to land use regulations to respond to state and federal mandates. In recent years, both departments have failed to meet statutorily imposed deadlines for state and federal mandates. Last year the Council requested through SLI SDCI-003S-A reporting on a plan by OPCD and SDCI to address outstanding mandates. That SLI response has not been provided. Compliance with those updates can be a scoring factor in competing for state and federal grants and loans.

Options:

A. Renew the SLI requesting reporting by SDCI and OPCD on a plan to address outstanding state mandates.

B. Move appropriation and position authority for developing state-mandated regulations, the timely completion of which are factors in competing for state grants and loans, from SDCI to other departments, such as SPU, that are regular applicants for those grants and loans.

C. Both A and B.

D. No change.

Questions?