

Office of the Mayor City of Seattle Bruce Harrell, Mayor

Executive Order 2025-05: Establishing the Mayor's Permitting and Customer Trust (PACT) Team to improve how the City of Seattle delivers housing and small business permitting and serves customers.

WHEREAS, Seattle is experiencing an urgent housing affordability crisis characterized by rising costs, a significant decline in residential construction permit applications from 2020 to 2024, and regulatory barriers that slow new housing production, thereby requiring immediate, decisive action to make the permitting system more efficient, predictable, and transparent; and

WHEREAS, the shortage of affordable housing in Seattle significantly limits economic mobility and exacerbates displacement, particularly affecting low-income communities, middle-class families, and young professionals seeking to build wealth or remain in the city; and

WHEREAS, streamlined permitting can lead to increased city revenue from Real Estate Excise Taxes (REET), utility connection fees, and sales and property taxes generated by new development; and

WHEREAS, high startup costs, long timelines, and unclear requirements hinder small business growth and economic recovery; and

WHEREAS, in the post-pandemic era, persistently high commercial vacancy rates continue to affect both Seattle's Downtown and neighborhood business districts, reducing foot traffic and weakening economic activity; and

WHEREAS, a 2023 Seattle City Auditor report identified deficiencies in the City's permitting processes, with a survey finding that the majority of applicants struggled to identify the appropriate point of contact for assistance, underscoring the urgent need for enhanced customer-focused reforms; and

WHEREAS, achieving a more responsive and effective permitting system requires both structural improvements and a transformation in customer service to emphasize proactive, solution-oriented approaches, clear communication, and accountability; and

WHEREAS, clear, consistent, and proactive customer service by permitting departments is essential to accelerating housing production and fostering economic development by reducing delays, costs, and uncertainties for applicants; and

WHEREAS, citywide customer service improvements will build public trust, reduce confusion, streamline interactions across all City agencies, and improve efficiencies; and

WHEREAS, while the Mayor's Office has already initiated promising reforms to improve accountability and efficiency in permitting, including forming the Mayor's Housing Subcabinet, launching a citywide permitting improvement team, executing the One Seattle Data Strategy, and piloting data analytics and Al-driven tools, additional efforts are still required to fully address barriers and meet Seattle's housing and economic growth demands; and **WHEREAS**, Seattle has made progress in reducing regulatory barriers to housing development, including updating land use codes, streamlining Design Review for key projects, adding more flexible vesting legislation, providing virtual in-person permitting assistance, and incentivizing commercial-to-residential conversions, further reforms are necessary to fully meet demand; and

WHEREAS, establishing the Permitting and Customer Trust (PACT) Team is necessary to institutionalize continuous improvement, ensuring lasting progress, accountability, and transparent, efficient customer service within Seattle's permitting processes; and

WHEREAS, by making permitting more efficient, transparent, and customer-focused, Seattle can ensure that residents of all income levels have access to housing and business opportunities, strengthening the city's long-term economic vitality and livability;

WHEREAS, the work of PACT is in accordance with all state, federal, and tribal regulations and is in support of prior executive orders and actions such as <u>Executive Order 2025-02</u>: <u>Supporting and</u> <u>Expediting Sound Transit 3 Investments in the City of Seattle</u>;

NOW, THEREFORE, I, Bruce A. Harrell, Mayor of Seattle, establish the **Permitting and Customer Trust** (PACT) Team and order the following actions:

A. Establish the Mayor's Permitting and Customer Trust (PACT) Team

The City of Seattle (City) is launching a dedicated effort to improve how permitting and customer service work across departments, making it simpler, faster, and more transparent for everyone.

PACT will be led by the Mayor's Office and launched as an interdepartmental team of specialists and directors in Q2 2025 bringing together expertise from: Seattle Department of Construction and Inspection (SDCI), Seattle Public Utilities (SPU), Seattle City Light (SCL), Seattle Parks and Recreation (SPR), Seattle Department of Transportation (SDOT), Department of Finance and Administrative Services (FAS), Seattle Fire Department (SFD), Office of Economic Development (OED), Department of Neighborhoods (DON), Office of Sustainability & Environment (OSE), and Seattle Information Technology Department (Seattle IT).

PACT will be responsible for developing short- and long-term actions and associated timelines and benchmarks, determining what can be achieved through existing resources, interpreting the language of this executive order, and reconciling cross-department issues or conflicts. However, matters that directly involve life safety—such as health and safety risks, the physical well-being of building occupants or the public, structural integrity, fire safety, emergency access, and environmental hazards—will be coordinated separately with appropriate departments and experts. The Mayor's Office may consult with external stakeholders, including business owners and community representatives to seek input individually or by creating external advisory committees.

PACT shall also develop and adopt clear performance metrics for permitting timelines within 90 days following the issuance of this Executive Order. These metrics will be published and regularly updated to promote transparency and track progress. In addition, PACT will establish outcomes for when performance benchmarks are not met. These outcomes may include adjusted fee structures, automatic processing of complete applications after defined timeframes, or targeted resourcing support to improve departmental performance.

PACT will expand the use of data to drive performance, promote transparency, and improve decisions. Aligned with the <u>One Seattle Data Strategy</u>, the City will unify reporting across departments and publish key metrics.

B. Support for Housing Development

1. Simplify regulations and processes

The City will conduct a comprehensive review of permitting-related legislation and internal processes to:

- Harmonize conflicting regulations to ensure clarity and consistency.
- Eliminate unnecessary rules.
- Update or eliminate outdated or redundant regulations or permits that may hinder building and transportation electrification (e.g. contractor refrigeration license requirement).
- Simplify forms, policies, and workflows to reduce burdens on applicants and staff.
- Standardize processes across departments to create a more predictable and user-friendly experience.
- Identify opportunities to streamline or consolidate environmental and design review.

2. Pilot AI tools to support faster, smarter permitting

PACT will pilot emerging technologies to explore creative solutions to complex challenges, per <u>Seattle IT Responsible Artificial Intelligence policy</u>, with the ultimate goal of scaling initiatives that demonstrate measurable success. AI tools assist staff and improve the experience of applicants but do not substitute for adequate staffing.

Beginning in April 2025, the Innovation & Performance Team, in partnership with SDCI and Seattle IT, launched an AI permitting pilot to decrease review time without impacting safety and quality. The goal of the pilot is to reduce permitting time by 50% by:

- Identifying unclear processes or overly complex regulations for future simplification.
- Pre-screening applications for completeness and compliance, helping applicants fix issues before formal review.
- Reducing back-and-forth between applicants and reviewers by resolving common errors early.
- Assisting in onboarding new reviewers with AI-guided training on frequently misunderstood rules.

3. Ensure transparent and consistent code review, inspections, and enforcement

To achieve transparency and consistency, the City will:

- Ensure correction notices are clear, consistent, and offer practical compliance options.
- Require that inspections and enforcement be consistent with approved plans and regulations and cite applicable code when issuing corrections or violations.
- Specify that once a reviewer or inspector issues an approval, a new correction or inspection cannot be required unless it pertains to life safety.

4. Increase permit predictability and speed

- PACT, working with all relevant permitting departments, will lead the permit streamlining process for housing and small businesses by:
 - Providing measures that forwards all permits to issuance after two review rounds, at the applicant's request, if a project meets basic life-safety and zoning requirements. Applicants must resolve all outstanding corrections, and permit reviewers may not introduce new correction items.
 - Codifying review timelines and provide transparent reporting of performance metrics to the Mayor's Office, City Council, and the public.
 - Exploring financial penalties, such as reduced or refunded permit fees, for failure to meet performance goals.

In addition, the City will:

- Fast track State mandated legislation impacting housing and permitting reform.
- Make utility and street improvement permits more predictable by minimizing correction cycles and aligning requirements with building permit issuance.
- Make transparent and streamline electric service upgrade permit and review processes, including proactive utility infrastructure upgrade timing based on grid needs.
- Clarify how SPU determines infrastructure requirements and system development charges under applicable codes and rules.
- Provide clear guidance on permit vesting, including how and when regulations apply, to reduce confusion and streamline approvals.
- Address budget and financing barriers to housing development by reviewing when in the process fees are levied.
- For items that cannot be completed in 2025, departments referenced in this Executive Order will deliver a report with specific timelines for implementation.

C. Support Small Businesses

The City will provide targeted support to small businesses by streamlining permits, reducing barriers to tenant improvements, and accelerating activation of vacant commercial spaces to boost the local economy.

1. Streamline small business permitting

- Engage regularly with small business stakeholders to gather feedback and refine solutions.
- Troubleshoot complex permitting issues for small business tenant improvement projects.
- Lead process improvements to reduce delays and miscommunication.

2. Provide clear and consistent guidance on Tenant Improvement requirements

To promote transparency and predictability, the City will:

- Identify opportunities to reduce the frequency and scope of triggers for Tenant Improvement (TI), particularly substantial alteration, requirements.
- Provide upfront, consistent direction on TI requirements.
- Avoid introducing new interpretations or corrections after initial guidance is issued, unless necessary to address life safety concerns.
- Clarify that once direction has been given and work approved, revisions will not be required except in cases involving life safety.

3. Fill vacant storefronts faster

To reduce commercial vacancies, PACT will submit a proposal to:

- Launch a pilot to streamline or reduce permitting requirements for small businesses and cultural organizations to occupy vacant spaces.
- Reduce time and cost for tenant improvements in commercial districts, including expanding allowable uses and eliminating certain requirements.

D. Provide Excellent Customer Service

The City will provide clear standards, improve communication, and increase transparency in how we deliver services. Clear customer service standards will be created for non-emergency services, including but not limited to permitting. PACT is committed to accessibility for users with varying digital literacy aligned with Executive Order 2025-03: Inclusive Information.

1. Publish citywide customer service standards

By September 2025, all PACT departments will adopt and implement a consistent set of standards for:

- Timely responses and proactive support.
- Clear and consistent communication.
- Customer feedback mechanisms such as linked surveys throughout public interactions.

2. Improve customer service across all channels and departments

PACT will work to provide faster, more consistent support to applicants and the public via online, phone, or in-person by:

- Ensuring departments assign staff to provide walk-in and phone customer service to support relationship building with constituents and offer alternative methods of communication to digital starting with permitting and then extending to other areas of customer service.
- Ensuring continuity of work and reducing service delays through actions such as clear out-of-office communication and appropriate reassignment of work.
- Working with SDCI and FAS to:
 - Develop options to reopen the in-person permitting counter and microfilm library.
 - Explore alternative in-person support options by utilizing existing city resources.
 - Expand virtual support tools such as video conferencing and coaching.
- Identifying additional opportunities in and across departments to restore or enhance inperson services and improve digital customer support tools.
- Exploring phone support that takes advantage of language models to eliminate waiting in queues and automate language translation.

3. Improve online information

In 2025, permitting departments, in collaboration with Seattle IT, will:

- Address IT system and software issues (*e.g.*, customer account management, chatbot integration).
- Update websites at least quarterly to reflect current policies and remove outdated content.
- Consolidate online guidance and provide clear, accurate information to reduce customer and business confusion.
- Leveraging chatbots and other tools to more efficiently navigate online content and answer common questions about processes, timelines, and documentation.

- Increase transparency through public reporting. By Q4 2025, permitting and utility departments will publish dashboards with shared performance metrics to increase accountability.
- Permitting dashboards will include permit processing times, inspection wait times, approval rates, and customer satisfaction scores.
- Utility dashboards (SCL and SPU) will include service connection timelines, with quarterly updates and defined improvement goals.

Questions about the implementation of this Executive Order should be directed to Marco Lowe, Chief Operating Officer, and Kye Lee, Senior Advisor to the Mayor.

Dated this 23rd day of June 2025.

Bruce Q. Hanell

Bruce A. Harrell Mayor of Seattle