



Memorandum

Date: 10/8/2024

File No. CM 24-470

Meeting of: Committee of the Whole - Finance, Administration, and Communications

Type: Committee Memo

TO: Committee of the Whole - Finance, Administration, and Communications

FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
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DEPARTMENT STAFF:

Planning and Community Development	Jason Lynch	Deputy Director
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TITLE:

Permit Fee Refund Mandates under State Legislation Senate Bill 5290

OVERVIEW STATEMENT:

Over the last several months, staff have been briefing City Council on the process improvements necessary to meet state legislative timeline mandates contained in Senate Bill (SB) 5290. The enacted legislation also stipulates that if permit review timelines are not met, the City will be required to reimburse a portion of permit fees to individual applicants. The City can avoid this impact by adopting three additional measures identified in the bill. This memorandum addresses the three additional measures that can be implemented at this time as a component of the 2025-26 budget package to insulate the City from having to pay refunds.

Additional Background Information/Description of Proposal Attached

REQUESTED ACTION:

Receive Information **Provide Direction** **Approve**

Direct staff to draft a resolution describing the three additional measures that can be implemented to insulate the City from having to pay mandated permit fee refunds. The resolution would be adopted together with the budget package for 2025-26.

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
Community Strategic Plan - Housing Choices: Strategy #1 Increase the overall supply of housing and provide access to more affordable homes. Actions - Implement Housing Action Plan two-year goals.
Housing Action Plan - Strategy 2: Reduce the cost to develop housing through process improvements and

increased regulatory predictability.

Action 2.2. Regularly assess development review processes to identify opportunities for increased efficiencies.

Fiscal Policy - City of Redmond, Washington

1. General Financial Goals
2. Operating Budget Policies
3. Revenue Policies
4. Expenditure Policies
11. Accounting, Auditing, and Financial Reporting Policies

• **Required:**

Senate Bill-5290 amended the Local Project Review Act, Chapter 36.70B RCW, required timelines for jurisdictions to issue a final decision on an application for land use review within the following timeframes.

- 65 Days: For project permits that do not require public notice under RCW 36.70B.110, a local government must issue a final decision within 65 days of the determination of completeness under RCW 36.70B.070.
- 100 Days: For project permits that require public notice under RCW 36.70B.110, a local government must issue a final decision within 100 days of the determination of completeness under RCW 36.70B.070.
- 170 Days: For project permits that require public notice under RCW 36.70B.110 and a public hearing, a local government must issue a final decision within 170 days of the determination of completeness under RCW 36.70B.070.

Beginning January 1, 2025, if SB 5290 timelines are not met, a jurisdiction will be required to refund 10-20% of application review fees unless additional measures have been adopted. The full list of additional measures is provided in Attachment A Excerpts of the Local Project Review Act.

• **Council Request:**

N/A

• **Other Key Facts:**

N/A

OUTCOMES:

Having a predictable and consistent set of development review timelines will benefit both applicants and staff, and support City goals identified in the Community Strategic Plan and Housing Action Plan. The City has hired Matrix Consulting Group to provide process improvement services related to development review. The Matrix contract and scope of work were approved by the City Council on the May 21, 2024, Consent Agenda. [City of Redmond - File #: AM No. 24-070 \(legistar.com\)](#) <

<https://redmond.legistar.com/LegislationDetail.aspx?ID=6693812&GUID=F8A17DB7-9569-4085-AAD4-B8E363AEFD34>>

The Planning and Community Development, Public Works, and Fire Departments will continue their performance improvement efforts into the next biennium as we continue to identify amendments needed to the Redmond Zoning Code to implement additional streamlining measures aimed at reducing timelines. The following three additional measures from SB 5290 can be implemented in the meantime as a component of the 2025-26 budget package to insulate the City from the fee refund mandates.

- (b) Imposing reasonable fees, consistent with RCW [82.02.020](#) <

<http://app.leg.wa.gov/RCW/default.aspx?cite=82.02.020>>, on applicants for permits or other governmental approvals to cover the cost to the city, town, county, or other municipal corporation of processing applications, inspecting and reviewing plans, or preparing detailed statements required by chapter [43.21C](#) <
<http://app.leg.wa.gov/RCW/default.aspx?cite=43.21C>> RCW. The fees imposed may not include a fee for the cost of processing administrative appeals. Nothing in this subsection limits the ability of a county or city to impose a fee for the processing of administrative appeals as otherwise authorized by law;

(d) Maintaining and budgeting for on-call permitting assistance for when permit volumes or staffing levels change rapidly;

(e) Having new positions budgeted that are contingent on increased permit revenue;

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

• **Timeline (previous or planned):**

A draft resolution will be introduced to the City Council at the November Planning and Public Works Committee of the Whole. The resolution necessary to insulate the City from permit fee refund mandates would be adopted as a component of the 2025-26 budget package.

• **Outreach Methods and Results:**

Staff have discussed this approach with the Master Builders of King and Snohomish County and One Redmond Government Affairs. Matrix Consulting circulated a questionnaire to all Redmond applicants who had submitted permit applications for review in the last three years. Feedback from that questionnaire and focused conversations with applicants that are planned in October will be used to identify streamlining priorities for the next biennium.

• **Feedback Summary:**

Developers uniformly want the departments that contribute to permit review to streamline their practices. They view refunds as antithetical to departmental efforts to improve performance and are supportive of the additional measures that would insulate the City from having to pay refunds while streamlining efforts are underway.

BUDGET IMPACT:

The City contracted for and completed a developer user fee study that supports imposition of reasonable fees consistent with RCW 82.02.020. The City also hired Matrix Consulting Group to undertake process improvement services related to development review that will inform code amendments necessary to continue streamlining efforts into the next biennium.

Total Cost:

\$ 250,000: Developer User Fee Update

\$ 145,000: Matrix Consulting Group Contract

Approved in current biennial budget:

Yes

No

N/A

Budget Offer Number:

0000137 One-time Service Enhancement: Developer User Fee Update (\$250,000)

0000021 Finance

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0000042 Development Services (\$145,000 plus staff support)

Budget Priority:

Strategic and Responsive

Vibrant and Connected

Other budget impacts or additional costs: Yes No N/A

If yes, explain:

N/A

Funding source(s):

General Fund

Development Review Fees

Budget/Funding Constraints:

Optional measures must be adopted by January 1, 2025, to insulate the City from having to pay mandated permit fee refunds.

Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
7/2/2024	Committee of the Whole - Planning and Public Works	Receive Information
7/16/2024	Business Meeting	Provide Direction
9/10/2024	Study Session	Receive Information
10/1/2024	Committee of the Whole - Planning and Public Works	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
11/4/2024	Committee of the Whole - Planning and Public Works	Provide Direction

Time Constraints:

Optional measures must be adopted by January 1, 2025, to insulate the City from having to pay mandated permit fee refunds. Staff recommends that these measures be adopted as a component of the 2025-26 budget adoption package.

ANTICIPATED RESULT IF NOT APPROVED:

If permit review timelines mandated under SB 5290 are not met, the City will be required to reimburse a portion of permit fees to individual applicants.

ATTACHMENTS:

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Attachment A: Excerpts of the Local Project Review Act - Refund Mandates (measures that can be adopted by the City before January 1, 2025 have been highlighted for ease of reference)