

## **ISSUE BRIEF: PERMIT REVIEW TIMELINES**

#### WHY DO PERMIT TIMELINES MATTER?

The Puget Sound region is facing a housing crisis, and there is an urgent need to build more homes. Job and population growth are out of balance with available housing, which is pushing prices out of reach for many people.

It takes time for housing to be built. Homes you see being constructed now started the permitting process years ago. According to <a href="Puget Sound Regional Council">Puget Sound Regional Council</a> estimates, we need to add 1.8 million people to the region by 2050. We are already behind in housing production, and the shortage is getting worse. The national organization <a href="Up for Growth">Up for Growth</a> estimates that the Seattle-Tacoma-Bellevue area is already over 80,000 homes behind building the housing needed to accommodate anticipated population growth.

In many jurisdictions, permit review timelines are long, unpredictable, and inconsistent. According to research from the <u>Building Industry Association of Washington</u>, the average building permit approval timeline in Washington is 6.5 months, which adds more than \$25,000 to the cost of building. This prices out more than 55,000 people from the opportunity for home ownership. A lengthy process ties up builders' capital and accumulates interest expenses and other carrying costs. This ultimately drives up the price of new homes.

Jurisdictions can bring housing to market sooner by tracking and being accountable to permit timelines. Many cities in the Puget Sound region do not publish data on typical permit wait times as required under the <u>Local Project Review Act</u>, leaving builders and consumers in the dark about how long they should expect a project to take. A lack of certainty about timing makes housing projects meaningfully riskier and less predictable.

### RECOMMENDED TIMELINES

Review Type	MBAKS Desired Target (Days)
Basic plan setup (review and approval)	7
Preapproved basic plan building permit	7
Pre-app meeting	14
Application completeness	28
Inspections	Same Day
Preliminary plat review <sup>1</sup>	120
Civil construction plan review – initial review	28
Civil construction plan review – subsequent reviews (2 max)	14
Land use review – administrative site plan	30
Final plat review	14
Critical area review	30
Custom single family building permits	21

<sup>&</sup>lt;sup>1</sup> Preliminary plat review refers to the total time until a hearing date, while other timelines refer to individual review timelines.





### IMPROVING PERMIT TIMELINES

Improving permit review timelines for housing projects benefits city staff, builders, and end consumers. Taking steps to improve permit review times and increase timeline transparency will help jurisdictions better achieve their housing goals. We suggest the following approaches as a starting point:

- Set and adhere to permit review timelines to enhance predictability and transparency for project applicants.
- Publish full permitting performance reports in a timely manner and make them available in an accessible, easy to find online location, as intended under the Local Project Review Act.
- Record and report on the 120-day permit review timeline required under the Local Project Review Act in a way that is consistent. Prioritize finalizing the review within the 120-day period with minimal stop and start points. Do not ask builders to waive the right to a 120day timeline to get permits processed.
- Identify elements of the permitting process that can be simplified, such as opportunities to accept licensed approvals in place of staff review (e.g. engineering).
- Check code to minimize the use of discretionary language, as it will improve the predictability of the code and speed up the review process.
- Voluntarily publish a regular permit review timeline scorecard to establish a baseline and measure progress. The scorecard could be modeled on MBAKS' recommended review times and timeframes.

Commonly cited reasons for permitting delays are a lack of reporting are funding and staffing shortages, training delays, process inefficiencies and not being able to quickly backfill unfilled positions. To this end we recommend jurisdictions advocate for state funding to develop the needed staffing capacity. The funding could be tied to achieving or improving performance on one or more of the outcomes above.

# LEGAL REQUIREMENTS

- The Local Project Review Act (RCW 36.70B.080) requires that applicants are notified of permit determination within 28 days. It requires that complete project permit applications be processed within 120 days and requires processing within 90 days for preliminary plat applications.
- Local jurisdictions also have public reporting requirements. Jurisdictions with a population of more than 20,000 are legally required to prepare annual performance reports.
  - Full access to relevant performance data for each type of permit application is required.
  - Jurisdictions must also report a variety of permit statistics, including mean processing times for all permit types and make reporting easily accessible to customers.