

ORDINANCE NO. 2018-11-022

AN ORDINANCE AMENDING BELLINGHAM MUNICIPAL CODE (BMC) TITLE 19 IMPACT FEES, INCLUDING CHAPTERS 19.04 and 19.06, CONCERNING IMPACT FEES APPLICABLE TO ACCESSORY DWELLING UNITS, AND CLARIFYING WHEN IMPACT FEES ARE TO BE ASSESSED ON NEW DEVELOPMENT.

WHEREAS, this Ordinance is an accompaniment to Ordinance No. 2018-05-009 which amends the development regulations for accessory dwelling units in BMC Title 20 Land Use Development Ordinance; and

WHEREAS, the City of Bellingham has adopted park, school, and transportation impact fees pursuant to Revised Code of Washington (RCW) 82.02.050 - .090 for the purpose of collecting a proportional fair share contribution toward the capital improvement costs of park, school, and transportation infrastructure to accommodate new growth; and

WHEREAS, State Law RCW 43.63A.215 and RCW 36.70A.400, adopted as part of the 1993 Washington Housing Policy Act, require Washington cities with populations over 20,000 to adopt regulations to allow accessory dwelling units (ADUs); and

WHEREAS, in 2016, Council adopted the 2016 Bellingham Comprehensive Plan (Comprehensive Plan) via Ordinance 2016-11-037 which includes updated goal and policy guidance on neighborhood preservation, infill development, housing and ADUs, and providing financial and other incentives geared toward solving housing challenges for Bellingham; and

WHEREAS, the Comprehensive Plan directs that growth in Bellingham will be accommodated through infill while preserving the character of existing single-family neighborhoods (Policy LU-4); and

WHEREAS, the Comprehensive Plan directs that the City make more efficient use of the remaining land supply by facilitating development on existing lots of record; developing flexible code provisions that allow a range of housing types; and other steps necessary to make better use of the remaining land supply; and

WHEREAS, the Comprehensive Plan directs that the City continue streamlining the regulatory review and building permit process and reviewing the cost of infrastructure improvements and their impact on housing costs (H-24); and

WHEREAS, the Comprehensive Plan directs that all new development be assessed for transportation impact fees to recover a proportional share of the costs of constructing planned transportation system improvements, including those in the Primary Pedestrian and Bicycle Networks that are necessary to accommodate the level of growth planned for 2016-2036 (Policy T-29).

WHEREAS, strategies to reduce market-rate housing costs include incentives, improvements to permitting processes, reduced fees and charges for qualifying projects, and development of innovative small-scale housing forms such as ADUs; and

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48 **WHEREAS**, in 2017, the City began the process to update the ADU regulations; and
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50 **WHEREAS**, the City conducted outreach including but not limited to attending numerous
51 neighborhood sponsored meetings, convening a Focus Group and a Technical Group to solicit
52 feedback; and Planning Commission work sessions; and
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54 **WHEREAS**, during the outreach meetings, the high impact fees charged for building small accessory
55 dwelling units was identified as a barrier to more ADUs being built, and as contributing to the
56 construction of illegal dwelling units; and
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58 **WHEREAS**, unlike multifamily development such as apartments and condos, ADUs are limited in size
59 (cannot exceed 800 square feet nor have more than 2 bedrooms) and are only allowed as adjunct
60 and subordinate to a single-family home; and
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62 **WHEREAS**, adding a new detached accessory building with bedrooms and a bathroom (no kitchen)
63 to a single-family home is allowed and otherwise exempt from impact fees; and
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65 **WHEREAS**, ADUs are currently exempt from school impact fees due to Bellingham School District
66 findings that because of their typically small size, ADUs are unlikely to contribute measurably to K-
67 12 enrollment; and
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69 **WHEREAS**, the assessment of impact fees for development is categorically exempt from review
70 under the State Environmental Policy Act; and
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72 **WHEREAS**, the Planning Commission, following a duly noticed public hearing on January 25, 2018,
73 considered the staff report for Ordinance No. 2018-05-009 amending the City's ADU regulations,
74 and comments received, and voted 5-1 (1 Commissioner absent) to recommend approval of the
75 ordinance with changes, including a separate non-binding recommendation that impact fees **not**
76 apply to ADUs; and
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78 **WHEREAS**, the Bellingham City Council held work sessions on September 24, and October 8 and 22,
79 2018 on the amendments to park and transportation impact fees, with appropriate public notice
80 provided; and
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82 **WHEREAS**, the City Council finds that due to the size, bedroom and occupancy limits on ADUs,
83 reduced park impact fees are appropriate for ADUs as the impact on the City's parks systems from
84 construction of an ADU is expected to be less than the construction of a multifamily dwelling unit;
85 and
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87 **WHEREAS**, the City Council finds that an impact fee exemption is appropriate for attached and
88 detached ADUs that involve a conversion of existing habitable space within an existing house or
89 accessory building, i.e. no increase in square footage, as the impact from the improvements have
90 already been accounted for with the original structure; and
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92 **WHEREAS**, the City Council finds that the amendments to be appropriate and consistent with the
93 Bellingham Comprehensive Plan, and in the best interest of the City of Bellingham and its citizens.
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95 **NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BELLINGHAM DOES HEREBY ORDAIN THAT:**

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97 **Section 1.** Amend BMC 19.04.050 - Figure 19.04.050, concerning park impact fees, referred to
98 throughout BMC Chapter 19.04 as "Attachment A," and shown herein as **Exhibit A**.

99 **Section 2.** Amend BMC 19.04.060, concerning imposition of park impact fees, as follows:

100 A. Any person or entity who, after the effective date of the ordinance codified in this chapter
101 seeks to develop land within Bellingham by applying for a building permit for a residential
102 building or permit for residential mobile home installation is hereby required to pay a park
103 impact fee in the manner and amount set forth in this chapter. In all cases, the amount of
104 park impact fees shall be that which is in effect at the time of application for building
105 permit.

106 B. and C. [NO CHANGES]

107 **Section 3.** Amend BMC 19.04.130(A), concerning exemptions from park impact fees, as follows:

108 A. The following development activities shall be exempted from payment of impact fees:

109 1. through 6. [NO CHANGES]

110 7. The creation of an accessory dwelling unit within an existing single-family structure or
111 detached accessory building that was designed and built for human habitation under
112 valid City building permits, provided that: 1) the area being converted to an ADU was
113 constructed as of May 21, 2018, and 2) the scope of work does not include conversion
114 of a garage, nor a concurrent or subsequent floor area addition to the primary residence
115 or accessory building. In such cases, the impact fee for the ADU shall be assessed with
116 the aforementioned scope of work.

117 **Section 4.** Amend BMC 19.06.030, concerning transportation impact fees, as follows:

118 A. A transportation impact fee (TIF) shall be levied upon each development that produces one
119 or more peak hour project trip(s).

120 1. The number of peak hour project trips generated by a development shall be calculated
121 based upon the latest version of the ITE Trip Generation Manual.

122 2. The TIF shall be determined based upon the distribution of peak hour project trips
123 generated by future development throughout the city using the travel demand forecast
124 model. The TIF will be calculated by the summation of future developments'
125 proportionate impact on transportation improvement projects identified in the city's
126 adopted six-year TIP and CIP. The proportionate share factor for computing the cost of
127 the improvements reasonably related to growth shall be based upon the ratio of future
128 developments' peak hour project trips to the peak hour capacity used by development
129 of the transportation facilities required to maintain the city's adopted arterial street
130 level of service standard at LOS E. Residential development TIFs shall be calculated on a
131 per unit basis whereas commercial development TIFs shall be calculated on a per square

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foot basis, as shown on Table 19.06.040(A), Transportation Impact Fee Worksheet, incorporated herein by this reference.

3. In all cases, the amount of transportation impact fees shall be that which is in effect at the time of application for building permit.

B. Payment of the TIF shall be made prior to issuance of a building permit, or if no building permit is required, prior to approval by the city of the development. Payment of the TIF for single-family detached and attached residential construction may also be deferred as allowed per Chapter 19.10 BMC.

1. The creation of an accessory dwelling unit within an existing single-family structure or detached accessory building that was designed and built for human habitation under valid City building permits shall be exempt from the payment of transportation impact fees, provided that: 1) the area being converted to an ADU was constructed as of May 21, 2018, and 2) the scope of work does not include conversion of a garage, nor a concurrent or subsequent floor area addition to the primary residence or accessory building. In such cases, the impact fee for the ADU shall be assessed with the aforementioned scope of work.

C. through E. [NO CHANGES]

Section 5. If any section, sentence, clause or phrase of this Ordinance should be held to be unconstitutional or unlawful by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

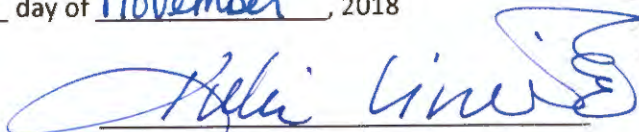
Section 6. This Ordinance, including amended park impact fees herein, shall be effective fifteen (15) days after passage and publication of the Ordinance or a summary thereof.

PASSED by the Council this 5th day of November, 2018



Dan Hammill, Council President

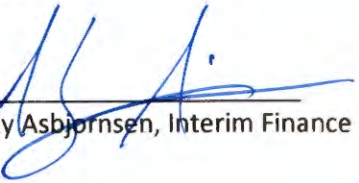
APPROVED by me this 14th day of November, 2018



Kelli Linville, Mayor


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ATTEST:



Andy Asbjornsen, Interim Finance Director

APPROVED AS TO FORM:



Office of the City Attorney

Published: November 9, 2018

EXHIBIT A

Figure 19.04.050

2018 Adopted Fee Schedule

	<u>Housing products</u>	
	<u>Single family</u>	<u>Multi family</u>
Calculation of park impact fee/unit		
Value of ELOS parks/person	\$5,243.00	\$5,243.00
Average number persons/type of housing unit*	2.47	1.81
Value of ELOS parks/type of housing unit	\$12,950.21	\$9,489.83
Percent of value to be charged for impact fee	31%	31%
Total impact fee/unit	\$4,014.57	\$2,941.85
Amount of fee allocated to neighborhood/citywide facilities		
Percent allocated to neighborhood facilities	20%	20%
Local facilities allocation/unit	\$802.91	\$588.37
Percent allocated to citywide facilities	80%	80%
City-wide facilities allocation/unit	\$3,211.65	\$2,353.48

Sources:

ELOS Value - 2016 Existing Level of Service Land and Facilities Update

Persons/type housing unit - 2000 Census, Summary File 3 Housing Profile, Bellingham City

Combined average for all housing types is 2.24

Single family includes single family attached, duplex, and mobile home

Multi family includes ~~ADU~~, tri-plex and greater

ADUs are assessed at \$1,470.93 (one-half the multi-family rate)