

Laube Hotel gets waiver for \$51,000 park impact fee

■ *Historic building to house low-income through Housing Authority*

by **SHERI WARD**
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BELLINGHAM – At its Monday meeting, City Council approved a request from the Bellingham/Whatcom County Housing Authority (BHA) to waive \$51,330 in park impact fees for renovation of the Laube Hotel in downtown

Bellingham. The BHA requested the waiver because of a projected shortfall in building funds.

The BHA argued that the imposition of park impact fees had come after they had done cost estimates and arranged funding in January 2006. If a waiver were not to be granted, the BHA asserted, the budget gap might

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cause several key items to remain undone. In a letter from the BHA to City Council those potentially undone items included: new commercial storefronts (\$95,000), insulated glass for the windows (\$35,000), and improvements to vacant commercial space (\$27,000). In a phone interview after Monday's meeting, John Harmon, Executive Director of the BHA, said they had a shortfall on the residential side as well, and were in negotiations with lenders to cover the difference.

Harmon said, "We're absolutely delighted the city decided to support low income housing and historic rehabilitation." Harmon said when the rehabilitation is complete, it will accommodate 20 living units, 18 of them studios with the remaining two being two-bedroom units.

According to Harmon the renovation will bring back the classic look of the hotel, while also incorporating one-and-a-half stories of glass in the front for retail space. The building still has a skylight over the entry stairs, along with two light-

wells, or areas of the building that are open above and allow light to be brought into interior units. Harmon said these historic features would be retained and upgraded.

Half of the units will be available to people at or below 30 percent of median income, according to Harmon, and the other half to those between 30 and 50 percent of median income. For a single-person household, those incomes are \$12,150 and \$20,250 respectively. Rents would vary with income: a single person at or below \$12,150 would pay \$256 in rent; a single person earning \$20,250 would pay \$459 in rent.

Harmon said the BHA anticipates completion of the project in approximately one year. He said, "We've undertaken this historic renovation of because of our partnership with the City of Bellingham," and expressed his appreciation for the city's cooperation.

Monday's decision followed an earlier decision to refuse the request for a waiver. At their Jan. 22 meeting, Planning staff had recommended against the waiver, and City Council concurred. It was not until the Mayor's re-

port at the end of that evening's meeting that a possibility for reconsideration opened up.

In a phone interview after the Jan. 22 meeting, Mayor Tim Douglas said, "The recommendation that came forward to the council was the best they (Planning staff) could do. I was in Olympia at the time, and should have walked things through." After Monday's meeting, he commented, "When this first came before the council, staff was more focused on what kind of precedent it would set, rather than the fact we have a policy that allows for low-income waivers."

This waiver of the park impact fee is the first such waiver granted since the inception of the fee in February 2006. Douglas said, "Kulshan (Community Land Trust) sought a waiver but was denied. The affordable housing task force may have some recommendations on this, in September or so." He indicated that when a waiver is granted, the funds need to come from elsewhere – they are not simply forgiven. In the case of the waiver for the Laube Hotel,

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the funds will be taken from the city's general fund.

At Monday's afternoon session, Parks Department representative Leslie Bryson briefed the council on the past year's experience with the park impact fee. The intent of the fee is to provide 35 percent of funding for parks, and to enable the city to expand the park system in proportion to population growth.

Bryson said actual collection of park impact fees for 2006 was \$350,000, considerably less than the projected \$2 million. She attributed the shortfall to a decline in residential projects from the previous years.

There are currently 3,545 acres of parkland, or 48.3 acres per 1,000 residents based on the 2006 Bellingham population of 73,460. The acreage includes all of the Park Department's holdings - open space and trails as well as developed park space. At this ratio of parkland to people, there are approximately 2,100 square feet of parkland for each Bellingham resident.

Park impact fees are required for any new or expanded residential building. The current fee for a new single-family home is \$3,891.51, and for a multi-family is \$2,851.67 per unit.

Duplexes and accessory dwelling units (ADUs) are considered equivalent to a single-family home for the purposes of assessing the amount of park impact fee required for the project. Multi-family rates apply to complexes of three or more units.

Council will review the current rates and policies concerning park impact fees sometime in April. ■WI