

2019 ANNUAL PERFORMANCE REPORT

Covering the Period from July 1, 2019 – June 30, 2020



The Roosevelt Neighborhood Resource Center, Purchased by Whatcom Family and Community Network

Bellingham Housing Levy
2019-2020 Bellingham General Fund
2019 Community Development Block Grant (CDBG)
2019 HOME Investment Partnership Fund



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DRAFT for Public Comment – December 4, 2020

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About this Report

The City receives formula grants from the U.S. Department of Housing and Urban Development ("HUD") for housing and community development activities. In addition, Bellingham voters approved a Levy in 2012 for housing activities and renewed this levy in 2017. Both funding sources require preparation of an Annual Performance Report that shows progress towards meeting goals. For HUD purposes, this report is the Consolidated Annual Performance Evaluation Report, or "CAPER."

This report covers the "2019" Action Plan year, also referred to as a program year. In 2013, the City changed its Action Plan year from a calendar year (January 1 - December 31) to a new cycle starting July 1 and ending on June 30. **This report covers the period from July 1, 2019 through June 30, 2020.** Where contractual obligations run for a period different from this, figures are adjusted to best reflect the performance and commitments over this July 1, 2019 through June 30, 2020 Action Plan period.

The CAPER is required under the United States, Code of Federal Regulations (CFR), specifically at 24 CFR 91.520(a). Due to the coronavirus pandemic (COVID-19), HUD offered a waiver of the time period to submit the CAPER, extending to 180 days what is typically a 90 day requirement, as the time within which this report must be completed after the end of the jurisdiction's program year. Bellingham's program year ends on June 30.

Community Participation

HUD requires the City to provide the public with two opportunities for input annually. The City provides one of those opportunities to comment on the Annual Performance Report (CAPER). The hearing occurred before the City's Community Development Advisory Board ("CDAB"). Publication announcing the CAPER, the public comment period and hearing printed on December 2, 2020 in the Bellingham Herald. The public comment period began December 4, and the hearing was held December 10. **[Insert summary of public comments after hearing.]**

Submission of Report

HUD requires the Annual Performance Report to be submitted each year. The City provides the findings to the Mayor, City Council, and Library and posts the report on the city's webpage: <https://cob.org/services/housing/planning-and-performance-documents>.

For More Information

Contact the Planning and Community Development department with any questions about this report or the funding programs.

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FINANCIAL PERFORMANCE

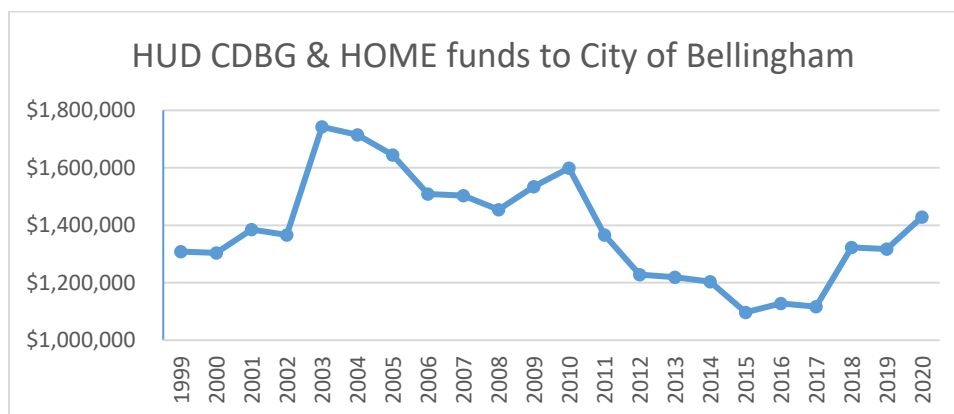
Bellingham receives federal and local funding for the housing and community development activities covered by this Annual Performance Report.

Federal Funds

Bellingham receives two "entitlement" grants from the U.S. Department of Housing and Urban Development (HUD):

- Community Development Block Grant (CDBG)
- HOME Investment Partnership (HOME)

The City receives these grants based on a formula adopted by Congress and HUD. The formula takes into account numerous factors to allocate funds after Congressional appropriation to the program. The grants from HUD remained relatively stable in the 2019 Action Plan year, and increased in 2020. The graph below shows the variability in federal funding to the City since 1996, not adjusted for inflation.



CDBG and HOME have their own respective rules about commitment of funds and timeliness of expenditure. The federal grants cannot be drawn until expenses have been incurred. HOME rules do not allow funds to be committed until the entire project has been funded. The following table shows the amount of all prior year funds left to commit and draw.

Fund	Authorized Amount	Amount Committed	Net Drawn Amount	Available to Commit	Available to Draw
HOME (2017)	399,745	399,745	348,527	0	51,218
CDBG (2018)	785,545	785,545	754,389	0	31,156
HOME (2018)	537,364	103,736	53,736	433,628	483,628
CDBG (2019)	805,312	685,214	530,261	120,098	275,051
HOME (2019)	511,743	51,547	48,488	460,196	463,255
CDBG (2020)	842,424	250,386	90,894	592,038	751,530
HOME (2020)	586,639	37,500	14,062	549,139	572,577

Bellingham Housing Levy (aka "Home Fund")

In 2017, Bellingham voters approved a renewal of a property tax levy that was initially approved in 2012. The 2017 levy has a budget of \$40 million over a 10-year period (2019-2028) to provide, produce, and/or preserve affordable housing. As with the original levy, 2/3 of the funding must benefit those households earning less than 50% of the Area Median Income (AMI).



Most property owners pay their property tax in two installments; the first half taxes are due on April 30 and the balance on October 31. In addition to property taxes collected, interest is earned on the balance, and occasionally payments are made on loans. As of June 30, 2020, the City had \$5,727,640 available to draw from levy funds, a portion of which is already committed.

Bellingham General Fund

The City allocates "general fund" money for housing and human service grants as well as some ongoing programs. For the 2019 Action Plan year, the City spent \$454,870 from this source for human service grants. This includes support that was provided to the Opportunity Council to operate a winter shelter program (\$62,920) and manage winter emergency motel vouchers (\$50,000), the administration of the Whatcom Homeless Service Center (\$39,274), and the Northwest Youth Services overnight winter shelter for homeless youth (\$44,652). The general fund also supported some general administrative costs of the programs covered in this report, and the City's contribution to the Ground-level Response and Coordinated Engagement (GRACE) program that now operates countywide and provides intensive case managers and mental health specialists who work with the Bellingham Community Paramedic and Police Department (\$110,838).

Leveraging Funds

An anticipation of both federal and city funding is that the funds will help leverage other non-federal or non-city funds. The following table shows the leveraging of activities *completed* in the 2019 program year. Keep in mind these are projected aggregate totals for the overall program areas, with leverage anticipated to vary by individual project. Without any rental housing development projects completed in the 2019 program year, leveraging is not what is typical.

Program	Federal Funds	Local City Funds	Total Project	Leverage of City+Fed Funds	Leverage of Federal Funds	Leverage of City Funds
Preservation of Housing	446,496	100,513	648,009	\$0.18	\$0.45	\$5.45
Homebuyer	239,079	20,000	2,208,000	\$7.52	\$8.24	\$109.40
Community Facilities	285,665	0	292,220	\$0.02	\$0.02	\$0.00
Rental Assistance & Services	328,665	1,513,464	8,666,031	\$3.70	\$25.37	\$4.73
TOTAL	1,299,905	1,633,977	11,814,260	\$3.03	\$8.09	\$6.23

Leveraging fluctuates significantly from year to year and from program to program. This is influenced by the availability of funding, the competitiveness of City priority projects and programs relative to other funders' priorities, the absolute costs of project and program service delivery, and timing of project completion.

Outstanding Loans

When the City financially assists with improvements or construction on real property, the City most often provides the funding in the form of a loan that is secured on the property. There are two basic types of loans the City provides:

- 1) Deferred Payment Loan - Repayment is not required as long as the housing or community development facility continues to provide benefit for low-income persons or households. Once that benefit ends, through sale or otherwise, repayment is required.
- 2) Payment Loan - repayment of the loan is required, most often at reduced rates and extended terms.

The following table shows the amount of **loans with an outstanding balance** the City has by program and fund.

Funding Source	Housing-CD Fund	Homebuyer	WA State HFC	Housing Rehab	TOTAL
Home	7,047,844	1,547,193	395,324	274,347	9,264,708
CDBG/CDBG-R	4,256,964	804,268		2,585,998	7,647,231
Levy	9,892,925	194,157	359,907		10,446,989
NSP		326,843			326,843
TOTAL	21,197,733	2,872,461	755,231	2,860,345	27,685,771

The following table shows the amount of **only deferred payment loans with an outstanding balance** the City has (a subset of the above table).

Funding Source	Housing-CD Fund	Homebuyer	WA State HFC	Housing Rehab	TOTAL
HOME	2,331,004	1,547,193	395,324	274,347	4,547,868
CDBG/CDBG-R	3,340,339	804,268		2,585,998	6,730,605
Levy	4,594,015	194,157	359,907		5,148,079
NSP		326,873			326,873
TOTAL	9,705,475	2,965,357	536,152	2,639,505	15,846,489

HOUSING, HUMAN SERVICE AND COMMUNITY FACILITY PROGRAMS

The City has seven main program areas for housing, human service, and community facility programs. These program areas are used to solicit grant or loan applications, set goals, and monitor progress. These programs include:

- Production of Rental Housing
- Homebuyer
- Preservation of Housing
- Rental Assistance and Supportive Services (includes human services)
- Community Facilities
- Acquisition & Opportunity Fund
- Administration

Production of Rental Housing

Program Objectives

The program objectives include:

- Provide a mix of affordable rental housing, promoting housing opportunity and choice throughout the City.
- Work collaboratively with other funders to ensure that the greatest number of affordable housing units are produced each funding round.
- Contribute to countywide efforts to end homelessness by providing housing that serves individuals and families who are homeless or at risk of homelessness.
- Promote cost-effective sustainable design, construction, rehabilitation, and operations of affordable housing.
- Promote the development of housing that is sited in already urbanized areas and close to basic services.
- Promote the development of housing that is energy efficient, resulting in the reduction of resources and costs to low-income households.
- Contribute to the revitalization of low-income communities through development of affordable housing, including mixed-income housing.

Funding Sources

All funding sources can be used to help support the production of rental housing. CDBG funds are generally not used, however, because construction of new permanent residential structures is not eligible (though rehabilitation is eligible, and housing for special needs populations can also be eligible). CDBG funds can be used to pay for other costs associated with rental housing for low-income persons, including rehabilitation of existing housing or public facility and improvement costs (e.g. sewer or storm water extensions). The primary funding sources used for this program are HOME and Housing Levy.

Production of Rental Housing Funding Summary

Housing Levy, HOME, and CDBG funds were budgeted and committed in the 2019 program year for the production of rental housing. At the end of next program year, there is an anticipated fund balance of \$768,910 for production activities.¹

¹ The table includes Housing Levy commitments made in the 2020 Action Plan.

	2019	2020	2021	TOTAL
Budget:				
Levy Carry-forward	2,987,227			2,987,227
Levy	1,820,000	1,820,000	1,820,000	5,460,000
HOME/CDBG	912,876	716,120		1,628,996
Commitments:				
Levy	258,069	2,449,013	4,971,235	7,678,317
HOME/CDBG	1,679	1,627,317		1,628,996
Fund Balance	5,460,355	-1,540,210	-3,151,235	768,910

Budget and expenditures include commitments from years prior to 2019.

Summary of [Committed](#) Rental Housing Development Program Projects

Some projects committed in prior years are still underway and not reflected below under either new commitments or completed projects. This includes the 11 unit Lydia Place Heart House development.

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Lydia Place <i>A Place for Dads</i> Birchwood Neighborhood	The City committed to helping Lydia Place purchase a home formerly owned by the Bellingham Housing Authority. The 3-bedroom home is for a homeless-on-entry family with a Dad present. <u>Income Target:</u> 1 below 50% AMI	1	\$374,700 (Levy)	\$419,191
Sun Community Service <i>Nevada St PSH</i> Roosevelt Neighborhood	The City committed to helping Sun CS purchase a home formerly owned by the Bellingham Housing Authority. This property is run similar to Gregg's House, serving formerly-homeless or -institutionalized individuals with a mental health diagnosis. Because the home is run as shared housing with 3 separate individuals, it is considered a 3-unit property. <u>Income Target:</u> 3 below 50% AMI	3	\$328,665 (CDBG, Levy)	\$337,414
Options Housing <i>34th St Housing for Developmentally Disabled Adults</i> Samish Neighborhood	Options purchased and rehabilitated an existing single family home to provide shared supportive housing to developmentally disabled adults in partnership with DSHS (and contracted service provider Access Living). <u>Income Target:</u> 3 below 30% AMI	3	\$200,500 (CDBG)	\$623,956
Bellingham Housing Authority <i>Samish Commons, Phase I-II</i> Sehome Neighborhood	The 2015 CAPER included the City's early commitment to this property, anticipating 72 units; this entry adds 50 to the unit count for a total of 122 units in the phases underway. A 3-phase project, with a 69-unit building under construction, and a 53-unit building with a City commitment of funding. 14 units will be for homeless-on-entry households. <u>Income Target:</u> 62 below 30% AMI; 18 below 40% AMI; 26 below 50% AMI; 16 below 60% AMI	122	\$4,446,048 (Levy)	\$43,012,493
TOTAL:		129	\$ 5,349,913	\$44,393,054

Summary of Completed Rental Housing Development Program Projects

No rental housing projects were completed during this program year, though the three single-family home projects listed in the Committed section were all completed shortly after the end of the program year.

Production of Rental Housing Goals

The City has established goals and outcomes in the 2018-2022 Consolidated Plan and the Housing Levy Administrative and Financial Plan (both of these documents can be found here: <https://www.cob.org/services/housing/Pages/planning-and-performance-documents.aspx>).

Consolidated Plan Goals:

The 2018-2022 Consolidated Plan identifies the HUD goals and outcomes related to the priority City needs. In the case of housing production, there is one goal and one corresponding outcome indicator. The following table shows the five-year goal, the number of units where funding was committed to activities in 2019, and the number of units actually completed. This table will be updated as the 5-year Consolidated Planning period progresses.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2019 Committed	2019 Actual	% of Goal Committed	% of Goal Actual
Increase affordable housing supply for rental and interim housing	Rental units constructed	316	11	40	129	0	44%	13%
TOTALS:		316	11	40	129	0	44%	13%

Levy Goals:

The renewed Housing Levy that began in 2020 set a combined goal for both Production and Preservation of Housing. The combined goal is 600 units over ten years. See the section on Preservation of Housing regarding achievement towards this goal.

Preservation of Housing

Program Objectives

The housing preservation program objectives include:

- Working collaboratively with other funders of affordable rental housing, ensure that the greatest number of quality affordable housing units are preserved each funding round.
- Contribute to countywide efforts to end homelessness by providing housing that serves individuals and families who are homeless or at risk of homelessness.
- Promote cost-effective sustainable design, construction, rehabilitation, and operations of affordable housing.
- Promote the preservation of housing that is energy efficient, resulting in the reduction of resources and costs to low-income households.
- Promote preservation of affordable housing, and prevent displacement of low-income residents, through purchase and rehabilitation of existing housing.
- Contribute to the revitalization of low-income communities through preservation of affordable housing, including mixed-income housing and housing opportunities for existing low-income residents at risk of being displaced by redevelopment and rising housing costs.
- Promote the preservation of owner-occupied housing, allowing seniors to age in place and the disabled to improve mobility and accessibility.

Funding Sources

All funding sources can be used to help support the preservation of housing.

Preservation of Housing Funding Summary

Housing Levy, CDBG and HOME funds were budgeted and committed in 2019 for the preservation of housing. At the end of 2021, there is an anticipated fund balance of \$211,106.

	2019	2020	2021	TOTAL
Budget:				
Levy Carry-forward	0			0
Levy	384,000	384,000	384,000	1,152,000
HOME/CDBG	496,496	420,000		916,496
Commitments:				
Levy	117,610	398,284	425,000	940,894
HOME/CDBG	446,496	470,000		916,496
Fund Balance	316,390	-64,284	-41,000	211,106

Budget and expenditures include commitments from years prior to 2019.

Summary of Committed Preservation of Housing Projects

Project Sponsor Project Name Neighborhood	Project Description	Units	City \$	Project \$
City of Bellingham Homeowner Rehabilitation Program Various	The City of Bellingham provides financial assistance to low-income homeowners for repairs and weatherization of their homes. <u>Income Target:</u> 6 below 50% AMI; 7 below 80% AMI	14	\$420,000 CDBG	\$420,000

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
DVSAS <i>Baker Place Shelter</i> Birchwood Neighborhood	Funding to help DVSAS retire the remaining mortgage on the Baker Place Shelter property. <u>Income Target:</u> 14 below 30% AMI	14	\$214,439 Levy	\$242,350
Sean Humphrey House Lettered Streets Neighborhood	Funding to do necessary health and safety repairs on the interior and exterior of this group home serving adults with HIV-AIDS. <u>Income Target:</u> 2 below 30% AMI; 4 below 50% AMI	6	\$90,237 CDBG	\$117,071
Opportunity Council <i>Manufactured Home Repair</i> Various	The Opportunity Council coordinates with the low-income home weatherization and minor home repair program to rehabilitate and repair mobile homes in the city. Typical repairs or replacements will include roof, subfloor, electrical and plumbing, window and door, and heating system. <u>Income Target:</u> 13 below 50% AMI; 5 below 80% AMI	18	\$125,000 Levy	\$125,000
TOTALS:		52	\$ 904,421	\$ 542,950

The City also sets aside \$50,000 each year in Housing Levy dollars for **Emergency Repair**, on an as-needed basis (if funds not used, they will be returned to the fund balance).

Summary of Completed Preservation of Housing Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
Opportunity Council <i>Manufactured Home Repair</i> Various	The Opportunity Council coordinates with the low-income home weatherization and minor home repair program to rehabilitate and repair mobile homes in the city. Typical repairs or replacements will include roof, subfloor, electrical and plumbing, window and door, and heating system. <u>Income Target:</u> 7 below 30% AMI; 6 below 50% AMI; 2 below 80% AMI	15	\$ 100,513 Levy	\$ 201,513
City of Bellingham <i>Homeowner Rehabilitation Program</i> Various	The City of Bellingham provided financial assistance to low-income homeowners for repairs and weatherization of their homes. <u>Income Target:</u> 1 below 30% AMI; 2 below 50% AMI; 1 below 60% AMI; and 5 below 80% AMI	9	\$ 446,496 CDBG	\$ 446,496
TOTALS:		24	\$ 547,009	\$ 648,009

Preservation of Housing Goals

The City has established goals and outcomes in the 2018-2022 Consolidated Plan and the Housing Levy Administrative and Financial Plan (both of these documents can be found here: <https://www.cob.org/services/housing/Pages/planning-and-performance-documents.aspx>).

Consolidated Plan Goals:

The 2018-2022 Consolidated Plan identifies the HUD goals and outcomes related to the priority City needs. In the case of housing preservation, there is one goal with two corresponding outcome

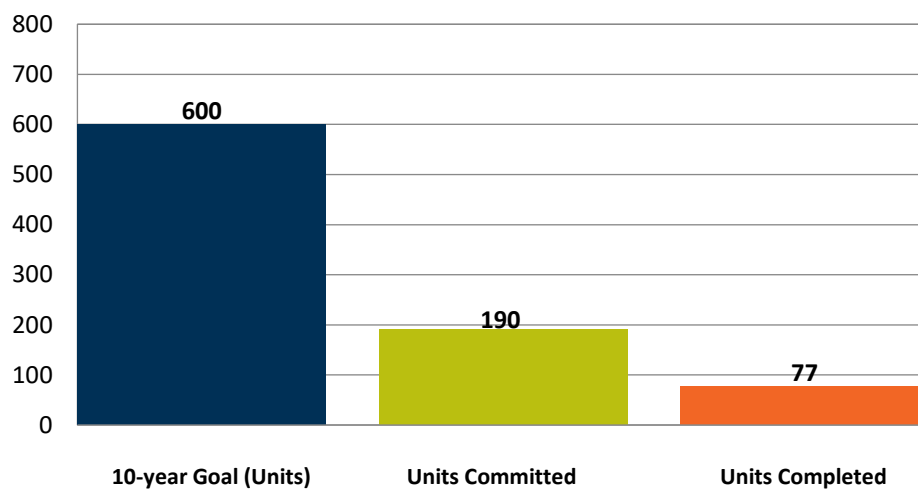
indicators. The following table shows the five-year goal, the number of units where funding was committed to activities in 2019, and the number of units actually completed. This table will be updated as the 5-year Consolidated Planning period progresses.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2019 Committed	2019 Actual	% of Goal Committed	% of Goal Actual
Rehabilitation of existing units	Homeowner housing rehabilitated	75	31	28	32	24	84%	69%
	Rental units rehabilitated	62	0	18	20	0	32%	29%
TOTALS:		137	31	46	52	24	61%	51%

Levy Goals:

The renewed Housing Levy that began in 2020 set a goal for both the Production of Rental Homes and the Preservation of Housing programs. The goal does not distinguish between either program. Not reflected under levy goals are projects solely completed with HUD funding. The 10-year Levy goal is 600 units, with the City having committed funds towards 190 units and with 77 units completed.

Production & Preservation



The following table identifies the number of units by program:

Program	Commitment	Units Completed
Production	140	40
Preservation	50	37
	190	77

Homebuyer Program

Program Objectives

The Homebuyer Program is intended to provide an ongoing resource to enable low-income households to purchase a home in Bellingham. The following general program objectives guide the Homebuyer Program:

- Assist homebuyers to acquire their home at an affordable cost that will enable them to manage the costs of homeownership and to realize a reasonable share of any increase in home value so they can purchase other housing when the household's needs change.
- Create an on-going resource to assist future low-income home-buyers through resale restrictions that will maintain an affordable home price and/or loan repayment terms that will generate funds to assist future home purchasers.
- Promote programs that achieve long-term affordability through restrictions on resale.
- Combine with other sources of homebuyer and housing rehabilitation assistance funds.
- Use existing service delivery systems for lending activities.
- Promote pre-purchase homebuyer education as a best practice by requiring households using City of Bellingham homebuyer assistance to complete a pre-purchase homebuyer education program.

Funding Sources

All funding sources can be used to help support the homebuyer program. The primary funding used for this program is HOME and Housing Levy.

Homebuyer Funding Summary

Housing Levy funds were budgeted in the 2019 program year for the homebuyer program. HOME funds included carryover from commitments made in earlier years.

	2019	2020	2021	TOTAL
Budget:				
Levy Carry-forward	238,000			238,000
Levy	180,000	180,000	180,000	540,000
HOME/CDBG	405,823			405,823
Commitments:				
Levy	182,600	237,998		420,598
HOME/CDBG	239,079	166,744		405,823
Fund Balance	402,144	-224,742	180,000	357,402

Budget and expenditures include commitments from years prior to 2019.

Summary of Committed Homebuyer Program Projects

The City committed funds in the 2017 Action Plan year to a new homebuyer development being undertaken by Kulshan Community Land Trust and Habitat for Humanity in partnership. The City also has prior funds committed to the downpayment assistance program that is managed in partnership with the WA State Housing Finance Commission (WSHFC).

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
City Surplus Property / Kulshan CLT Roosevelt	The City offered a surplus lot in exchange for a deferred loan through an RFP process. Kulshan Community Land Trust was awarded the property and will develop a home on it for resale to a home buyer whose income is below 80% AMI. <u>Income Target:</u> 1 @ 80% AMI or below	1	\$162,600 Levy	TBD
TOTALS:		1	\$162,600	

Summary of Completed Homebuyer Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Units	City \$	Project \$
WSHFC Restricted / Kulshan CLT Resales of Existing Homes Happy Valley (3) Lettered Streets (1) Sunnyland (1) York (1)	The City provided down payment and/or closing cost assistance to Kulshan Community Land Trust home buyers whose incomes are below 80% AMI. <u>Income Target:</u> 5 under 80% AMI; 1 under 60% AMI	6	\$164,250 (HOME) \$20,000 (Levy)	\$1,680,000
WSHFC Unrestricted Condo Sales Birchwood (1) Cordata (3)	The City provided down payment and/or closing cost assistance to condominium home buyers whose incomes are below 80% AMI. <u>Income Target:</u> 2 under 80% AMI; 1 under 60% AMI	3	\$74,829 (HOME)	\$528,000
TOTALS:		9	\$259,079	\$2,208,000

Production of Homebuyer Goals

The City has established goals and outcomes in the 2018-2022 Consolidated Plan and the Housing Levy Administrative and Financial Plan (both of these documents can be found here:

<https://www.cob.org/services/housing/Pages/planning-and-performance-documents.aspx>).

Consolidated Plan Goals:

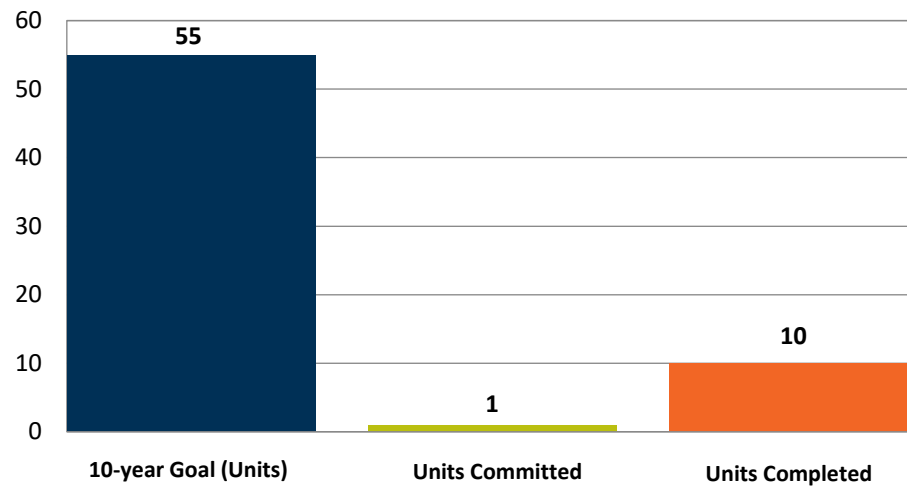
The 2018-2022 Consolidated Plan identifies the HUD goals and outcomes related to the priority City needs. In the case of homeownership, there is one goal with one corresponding outcome indicator. The following table shows the five-year goal, the number of units where funding was committed to activities in 2019, and the number of units actually completed. This table will be updated as the 5-year Consolidated Planning period progresses.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2019 Committed	2019 Actual	% of Goal Committed	% of Goal Actual
Increase affordable housing supply for homeownership	Assistance to homebuyers	36	0	1	1	9	3%	28%
TOTALS:		36	0	1	1	9	3%	28%

Levy Goals:

The renewed Housing Levy that began in 2020 set a goal for the Homebuyer program. The goal is 55 units over ten years, with 1 unit committed, and 9 completed (note that there were 12 units that had been committed but not completed under the prior levy).

Homebuyer Program



Community Facilities Program

Program Objectives

The Community Facilities Program provides funding to "public facilities and improvements" that can include infrastructure, such as sewer, drainage, parks, sidewalks, architectural barriers, public facilities, such as food banks, senior centers and community centers, or facilities for special needs populations. All funding in this program must primarily benefit low-income persons, households or neighborhoods. The terms "public facilities" or "public improvements" are broadly interpreted in the CDBG program to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a nonprofit, and operated so as to be open to the general public.

Funding Sources

Generally, only CDBG funding can be used to fund capital improvements for community facilities. City general funds could also be used for this purpose if appropriated. However, the City has funded only limited projects through this program over the years.²

Community Development Funding Summary

CDBG funds were budgeted and committed in the 2019 program year for the Community Facilities program.

	2019	2020	2021	TOTAL
Budget:				
CDBG	\$280,000	\$434,691	\$0	\$714,691
Commitments:				
CDBG	\$253,037	\$461,654	\$0	\$714,691
Fund Balance	\$26,963	(\$26,963)	\$0	\$0

Budget and expenditures include commitments from years prior to 2019.

Summary of Committed Community Facility Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Pop. Served	City \$	Project \$
Max Higbee Center <i>Move and Expansion</i> Project City Center	The Max Higbee Center will be able to grow its capacity and begin serving those on its waiting list once the improvements are complete and they move to the new facility. Max Higbee provides recreation and day support to youth and adults with developmental and physical challenges. <u>Income Target:</u> Presumed Benefit population	469	\$280,000	\$594,210
TOTALS:		469	\$280,000	\$ 594,210

² The city funds many activities that can be considered community facilities. Transportation and other public works projects take place in low-income neighborhoods. Funds directed to economic development, public safety improvements and other programs can also be considered community facilities that benefit low-income persons. These types of projects are typically undertaken with City funds other than CDBG.

Summary of Completed Community Facility Program Projects

Project Sponsor <i>Project Name</i> Neighborhood	Project Description	Pop. Served	City \$	Project \$
WFCN <i>Roosevelt Neighborhood</i> <i>Resource Center</i> Roosevelt	The Whatcom Family and Community Network purchased the building from the Bellingham Housing Authority, and continues to serve families with children in the Roosevelt neighborhood and promote neighborhood safety. <u>Income Target:</u> area benefit, low-income neighborhood	777	\$285,665	\$336,594
TOTALS:		777	\$285,665	\$ 336,594

Community Facility Goals

The City has established goals and outcomes in the 2018-2022 Consolidated Plan which can be found here: <https://www.cob.org/services/housing/Pages/planning-and-performance-documents.aspx>.

Consolidated Plan Goals:

The 2018-2022 Consolidated Plan identifies the HUD goals and outcomes related to the priority City needs. In the case of community facilities, there is one goal with one corresponding outcome indicator. The following table shows the five-year goal, the number of units where funding was committed to activities in 2019, and the number of units actually completed. This table will be updated as the 5-year Consolidated Planning period progresses.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2018 Committed	2018 Actual	% of Goal Committed	% of Goal Actual
Promote Neighborhood Equity	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	11,500	780	1,250	469	780	11%	18%
TOTALS:		11,500	780	1,250	469	780	11%	18%

Levy Goals:

The Housing Levy does not authorize funding for community facilities.

Rental Assistance and Housing/Human Services Program

Program Objectives

The Rental Assistance and Housing/Human Services Program provides funding to a wide range of activities. The primary areas of activity for the 2019 program year included:

- Tenant-based rental assistance (TBRA)
- Project-based rental assistance and housing services
- Housing services
- Human and social services
- Winter emergency shelter

Funding Sources

All funding sources are used to support the numerous activities in the rental assistance and housing/human services program. However, each funding source has its limitations. Housing Levy funds can only be used for rental assistance and housing services. CDBG funds can only be used for those activities that can account for the federal requirements to benefit low-income populations. HOME funds cannot be used for services, but can fund tenant-based rental assistance (TBRA). City general funds can be used for any activity that benefits low-income persons or households.

Rental Assistance and Housing/Human Service Funding Summary

All four funds were budgeted and committed in 2019 for the Rental Assistance and Housing/Human Service program.

	2019	2020	2021	TOTAL
Budget:				
Levy Carry-forward	972,121	1,109,934 ³	1,156,420 ⁴	972,121
Levy	1,180,000	1,180,000	1,180,000	3,540,000
General Fund	454,870	537,960	-	992,830
CDBG	202,573	331,352	-	533,925
CDBG-CV (COVID)		1,149,226		1,149,226
HOME	142,500	126,092		268,592
Commitments:				
Levy	1,058,595	1,716,332	1,700,000	4,474,927
General Fund	454,870	537,960	-	992,830
CDBG	202,573	331,352	-	533,925
CDBG-CV		550,000	599,226	1,149,226
HOME	126,092	142,500		268,592
Fund Balance⁵	\$1,109,934⁶	\$1,156,420⁷	\$ 37,194	\$ 37,194

³ The carry-forward amount is not counted in the second and third columns for purpose of the total, as it is not additional money available (only funds carried over from the previous year's fund balance).

⁴ Same as above.

⁵ Fund Balance in the Levy comes from a set-aside of funding for Project-based operating assistance, and contracts committed beyond June 2018.

⁶ The carry-forward amount is not counted in the second and third columns for purpose of the total, as it is not additional money available (only funds carried over from the previous year's fund balance).

⁷ Same as above.

Expenditures: In the 2019 Action Plan year, the City expended the following on housing services, human/social services and rental assistance. Expenditures may include commitments from years prior to 2019.

Program	CDBG	HOME	LEVY	GF	TOTAL
Housing Services	145,375		721,595	196,846	\$1,063,816
Human/Social Services	57,198			258,024	\$315,222
Rental Assistance		126,092	337,000		\$463,092
TOTALS	\$202,573	\$126,092	\$1,058,595	\$454,870	\$1,842,130

Summary of Rental Assistance and Housing Service Program Projects

Agency	Program Name	Goal Supported	City \$
<i>Rental Assistance and Housing Services</i>			
Lydia Place	Transitional Housing - Homeless Women with Children	Address & Prevent Homelessness: Public service activities for low/moderate income housing benefit	19,327
Opportunity Council	Homeless Housing Services / Rapid Rehousing	Address & Prevent Homelessness: Public service activities for low/moderate income housing benefit	117,606
Lydia Place	Ending Family Homelessness	Address & Prevent Homelessness: Public service activities for low/moderate income housing benefit	125,529
Northwest Youth Services	Positive Adolescent Development	Address & Prevent Homelessness: Public service activities for low/moderate income housing benefit	49,995
Northwest Youth Services	Transitional Living	Address & Prevent Homelessness: Public service activities for low/moderate income housing benefit	36,000
YWCA	Larrabee Residence	Address & Prevent Homelessness: Public service activities for low/moderate income housing benefit	25,000
DVSAS	Domestic Violence Safe Shelter	Address & Prevent Homelessness: Public service activities for low/moderate income housing benefit	28,506
Northwest Youth Services	Ground Floor for Youth	Address & Prevent Homelessness: Public service activities for low/moderate income housing benefit	86,050
Opportunity Council	Homeless Outreach Team	Address & Prevent Homelessness: Public service activities for low/moderate income housing benefit	155,172
Opportunity Council	Homeless Service Center Ops & Housing Lab	Address & Prevent Homelessness: Public service activities for low/moderate income housing benefit	98,531
Opportunity Council	Homeless Housing Services / Rapid Rehousing	Address & Prevent Homelessness: Tenant based rental assistance	4,414
Opportunity Council	Tenant-based Rental Assistance	Address & Prevent Homelessness: Tenant based rental assistance	126,092
Lydia Place	Ending Family Homelessness	Address & Prevent Homelessness: Tenant based rental assistance	153,419
Northwest Youth Services	Winter Shelter: Youth	Address & Prevent Homelessness: Homeless Person Overnight Shelter	44,652
Opportunity Council	Winter Shelter: Women	Address & Prevent Homelessness: Homeless Person Overnight Shelter	62,920
Opportunity Council	Emergency Motel Stays	Address & Prevent Homelessness: Homeless Person Overnight Shelter	50,000
TOTAL			1,183,213

Summary of Human / Social Service Program Projects

Human and Social Services			
Lydia Place	Mental Health Program	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	22,444
Bellingham Food Bank	Free Grocery Program	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	26,900
Opportunity Council	Volunteer Chore Program	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	29,600
DVSAS	Safe Start Program	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	21,210
NWYS	Vocational Readiness	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	25,900
Whatcom Literacy Council	Gaining Jobs & Self Sufficiency Through Literacy	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	12,490
NWYS	Teen Court	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	24,300
Whatcom Dispute Resolution Center	Parent/Teen Mediation	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	15,000
Brigid Collins	Targeted Intensive Case Management	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	28,772
Whatcom County Council on Aging	Meals on Wheels	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	30,000
Opportunity Council	Maple Alley Inn	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	22,100
Sean Humphrey	Residential Services	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	11,520
Rebound of Whatcom County	Rebound Roots	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	8,740
Bellingham Childcare & Early Learning Center	Childcare and Early Learning for Low-income Families	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	21,447
Mercy	Senior Support Services	Address & Prevent Homelessness: Public service activities other than low/moderate income housing benefit	14,800
TOTAL			315,223

Summary of Committed Annual Project-based Rental Assistance and Housing Services

Project Sponsor <i>Project Name</i>	Project Description	Units	City \$	Project \$
Catholic Housing Services <i>Francis Place</i> Central Business District	The City committed funds over the long term to assist with rental payments, housing case management and operational staff for security. This commitment was in conjunction with a capital development award. The City has committed a total of about \$1.4m through 2022. <u>Income Target:</u> 21 below 30% AMI; 13 below 50% AMI; 8 below 60% AMI	42	\$227,560	\$ 1,050,000
Sun Community Services <i>Greggie's House & Nevada PSH</i> Sunnyland / Roosevelt	The City committed funds over the long term to assist with case management services, rent and administrative costs at these 2 different Sun	9	\$ 87,404	\$ 124,034

Project Sponsor <i>Project Name</i>	Project Description	Units	City \$	Project \$
	facilities. This commitment was in conjunction with two different capital development awards. <u>Income Target:</u> 6 below 30% AMI; 3 below 50% AMI			
Opportunity Council 22 North City Center	The City committed funds for the long term to assist with rental payments, housing case management and operations. This commitment was in conjunction with a capital development award. <u>Income Target:</u> 20 below 30% AMI; 20 below 50% AMI	40	\$ 142,000	\$652,350
TOTAL:		91	\$ 456,964	\$1,826,384

Rental Assistance, Housing and Human/Social Service Goals

The City has established goals and outcomes in the 2018-2022 Consolidated Plan and the Housing Levy Administrative and Financial Plan (both of these documents can be found here:

<https://www.cob.org/services/housing/Pages/planning-and-performance-documents.aspx>).

Consolidated Plan Goals:

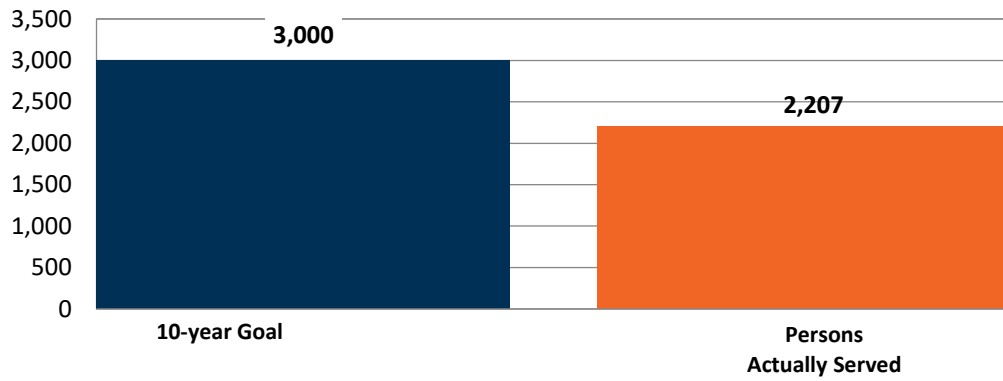
The 2018-2022 Consolidated Plan identifies the HUD goals and outcomes related to the priority City needs. In the case of rental assistance and services, there is one goal with five corresponding outcome indicators. The following table shows the five-year goal, the number of units where funding was committed to activities in 2019, and the number of units actually completed. This table will be updated as the 5-year Consolidated Planning period progresses.

Goal Description	Outcome	Goal	Prior Committed	Prior Actual	2019 Committed	2019 Actual	% of Goal Committed	% of Goal Actual
Address & Prevent Homelessness	Homeless person overnight shelter	300	150	239	300	334	150%	191%
	Tenant based rental assistance	250	25	25	25	27	20%	21%
	Public service activities other than low/moderate income housing benefit	21,310	15,000	19,656	15,000	19,040	141%	182%
	Public service activities for low/moderate income housing benefit	5,155	850	1,047	900	1,379	34%	47%
	Overnight/Emergency Shelter/Transitional Housing Beds added	55	-	-	-	-	0%	0%
		27,070	16,025	20,967	16,225	20,780	119%	154%

Levy Goals:

The Housing Levy set a goal for both the Rental Assistance and Supportive Services' programs. The goals are not distinct to the various aspects of the program (e.g. rental assistance versus services). The 10-year Levy goal is 3,000 persons or households. The following reflects only those services program beneficiaries with Levy funding.

Rental Assistance & Supportive Services



Administration

Program Objectives

The city commits administrative resources in order to carry out the activities of these various programs. The administrative tasks include:

- Strategic and Action Plans
- Annual performance reports
- Contract management, including review of proposals and underwriting
- Monitoring of activities
- Audits of city records
- Payment of invoices and expenses
- Reporting to federal and other funding sources

Funding Sources

All funding sources include funds for administrative expenses. Each funding source has its own unique requirements for administrative expenses. Highlights include:

- CDBG Program - No more than 20% of the federal grant and program income can be spent on administrative expenses.
- HOME Program - No more than 10% of the federal grant and program income can be spent on administrative expenses. Administrative expenses for the tenant-based rental assistance (TBRA) program, delivered by the Opportunity Council, are included within this limit.
- Levy Program - The Levy set aside 5.2% of the Levy funds for administrative purposes (the renewed levy raised this to 6%). These expenses include city interfund charges for management of the fund and procurement process, accounting for nearly half of the administrative expenses charged to the Levy.
- General Fund - The City general fund contributes space, legal and financial services, other salaries and miscellaneous expenses to the programs.

Administrative Funding Summary

All four funds were budgeted and committed in the 2019 program year for Administrative Expenses.

	2019	2020	2021	TOTAL
Budget:				
Levy	240,000	240,000	240,000	720,000
General Fund	238,000	240,000	337,857	815,857
CDBG	148,538	210,484		359,022
HOME	99,975	70,663		170,638
Commitments:				
Levy	126,875	180,000	240,000	546,875
General Fund	238,000	240,000	337,857	815,857
CDBG	148,538	210,484		359,022
HOME	99,975	70,663		170,638
Fund Balance	113,125	60,000	0	173,125

Monitoring Fund

The renewed Housing Levy provides ten years of funding for both activities and administrative expenses. Some Levy programs from both the 2012 and 2018 levies require fifty years of ongoing commitment to affordable housing. This ongoing commitment is established through covenants and annual reporting requirements that must be monitored and reviewed by City staff. In order to meet this ongoing requirement, the City has established an annual monitoring fee, currently set at \$450 for projects with 10 or fewer housing units and an additional \$25 per unit for each unit over 10. A 10-unit project with a fifty-year affordability requirement would require payment of \$22,500 into the monitoring fund.

As of the end of the 2019 Action Plan year, the City has collected \$543,006 that is reserved for future administrative expenses directed towards monitoring.

PERSONS SERVED

The primary purpose of the Housing, Human Service and Community Facility programs is to provide benefit to low-income persons or households, defined as those earning 80% or less of area medium income (AMI). The City also has a policy that ensures fair and equal housing and services, and tracks progress to ensure that funds are equitably distributed.

Income Limitations

Each funding source has its own limitations for income. In some cases, the limits are considered by project or activity, and in some cases by program. Here is a snapshot view of the limits:

CDBG Program - The City has an obligation that, in the aggregate, at least 70% of CDBG funds benefit low-income persons or households. Activities that provide services to a mix of incomes must "primarily" benefit low-income persons or households, meaning that at least 51% of those served are low-income (80% AMI or below). If the funds are used to provide a direct benefit, such as financially assisting a homeowner rehabilitation, then the household must be low-income.

HOME Program - HOME funds must benefit low-income persons or households. However, 90% of the households assisted for rental or TBRA program must have incomes that do not exceed 60% AMI. Finally, HOME has a "project" rule where projects of five or more HOME-assisted units, at least 20% of the units must be for households with incomes that are 50% AMI or below.

Levy Program - The Levy requires funds to benefit low- (80% AMI or below) and very-low (50% AMI or below) income households. Two-thirds of the funding must be directed to very-low income persons or households.

City General Fund - City general funds can be used for any income group. However, if the funds are used to provide financial assistance directly to a person or household, it would be considered a gifting of public funds if they were not considered necessary in support of the "poor" or "infirm". The City's use of general funds for housing and human service activities follows the CDBG program for income requirements.

Commitment to Affirmatively Further Fair Housing

Fair and equal housing, having its basis in the Fourteenth Amendment to the United States Constitution adopted in 1868 and the Civil Rights Act of 1964, has historically been a desired goal of this nation. The City of Bellingham, committed to nondiscrimination and equal opportunity in housing, establishes procedures to further this commitment and to affirmatively market units receiving funding through the City. The City's [Housing Development Guideline and Procedure Handbook](#) lays out the expectations of project owners for marketing their units

The City of Bellingham believes that individuals of similar economic levels in the same housing market area should have available to them a like range of housing choices regardless of their race, color, religion, ancestry, national origin, familial or marital status, disability, sex, sexual orientation or gender identity.

The City is committed to providing education to landlords, tenants, and property management agencies about Fair Housing law. In the 2019 program year, city staff participated as presenters in two Fair Housing trainings for tenants: one organized by the Bellingham Tenants Union and another for students

organized by Western Washington University. As a result of these events, staff supported at least one tenant in filing a Fair Housing Complaint with the Fair Housing Center of Washington. Other planned trainings were rescheduled due to COVID-19 restrictions, and we plan to make them available online in early 2021.

The City of Bellingham added a complaint button to our Web Site on the Fair Housing Page during the 2019 program year. The button allows people to e-mail staff directly regarding fair housing and submit questions or complaints. In program year 2019 we received 13 complaints, the majority were regarding Emotional Support Animals, and Familial Status was near the top of the list as well. Two of the e-mails were from local non-profit housing providers seeking guidance on fair housing issues. Staff provided information and training materials. For each fair housing complaint, the tenant was directed to the Fair Housing Center of Washington, or the Fair Housing Office of HUD for their guidance and advocacy.

Households/Persons Served

The following table shows the persons served with projects or activities that were committed in the 2019 program year. Information by race/ethnicity is not available at the time of commitment.

Program	Households/ Persons	Income			
		<=30% AMI	> 30%, <=50% AMI	>50%, <=80% AMI	>80% AMI
Homebuyer	1			1	
Rental Production	129	65	48	16	
Preservation	51	16	23	12	
Community Facilities	469		469		
Housing, Human/Social Services	22,350	14,351	7,824	117	58
TOTALS	23,000	14,432	8,364	146	58
		63%	36%	1%	0%

The following table shows the persons served with projects or activities that were completed in the 2019 program year. Race/ethnicity is not available for all community facilities projects.

Program	Households/ Persons	Income				Race/Ethnicity (# of Persons)					
		<=30% AMI	> 30%, <=50% AMI	>50%, <=80% AMI	>80% AMI	White	Am. Indian	Black/ Af Am	Asian	Other Race	Hispanic
Homebuyer	9	0	0	9	0	7	1	0	0	1	0
Rental Production	0	0	0	0	0	0	0	0	0	0	0
Preservation ⁸	24	8	8	8	0	9					
Community Facilities ⁹	777		777								
Housing, Human/Social Services ¹⁰	20,780	12,939	7,649	135	57	16,611	811	703	244	2,379	1,908
TOTALS	21,590	12,947	8,434	152	57	16,627	812	703	244	2,380	1,908
		60%	39%	1%	0%	80%	4%	3%	1%	11%	9%

⁸ The Manufactured Home Repair program does not collect information by race/ethnicity.

⁹ The Community Facilities project was an area-wide benefit project, serving the Roosevelt Neighborhood. No race/ethnicity data is collected.

¹⁰ The Emergency Winter Shelter programs do not collect information by race/ethnicity.

Levy Requirements for Very-Low Income

The Housing Levy requires two-thirds (67%) of the funds be directed towards very-low income (below 50% AMI) persons or households. The existing spending by income targets indicates that 94% of all the funding under the new levy is targeted to very-low income persons or households. The prior levy had an overall average of 84% targeted to very-low income persons or households.

Program	Funds	Units	<=30% AMI	> 30%, <=50% AMI	>50%, <=80% AMI	ELI Levy (<= 50% AMI)	LI Levy (> 50% AMI)
Homebuyer	20,000	1	0	0	0	0	20,000
Production	258,069	40	20	20	0	258,069	0
Preservation	117,610	15	7	6	2	101,929	15,681
Housing Services	1,058,595	1,587	1,253	257	77	1,007,233	51,362
	\$1,454,274	1,643	1,280	283	79	\$1,367,230	\$87,044
			77.91%	17.22%	4.81%	94%	6%