



## Planning and Community Development City of Bellingham

### MEMORANDUM

TO: Community Development Advisory Board & Bellingham Public  
FROM: Samya Lutz, Housing & Services Program Manager  
Date: December 3, 2020

#### RE: 2020 HUD Action Plan Amendment

The City's [2020 HUD Action Plan](#) (a component of the [Consolidated Plan](#)) was recommended to be approved by the [Community Development Advisory Board](#) on May 14, 2020, after a March public hearing and further discussions in March and May. City Council passed a resolution supporting this Action Plan on June 18, 2020 ([RES 2020-13](#)), and it was subsequently submitted to [HUD](#) and approved. The process to amend the Action Plan is governed by HUD regulations, which defer partially to a Community's Citizen Participation Plan ([24 CFR 91.505](#)). Community's must delineate what constitutes a substantial amendment to their plans, and therefore needs to be subject to more substantial public process. Bellingham's [Community Participation Plan](#) says the following with regard to what constitutes a substantial amendment:

If changes are proposed to the City's Consolidated Plan after final approval, any changes reflecting a newly proposed activity or major funding allocation change will constitute a substantial amendment. Major funding allocation changes include changes in the use of HUD or local funds from one activity to a newly proposed activity. Adjustments of allocations or program income to reflect actual (rather than anticipated) income, updates of home values through annual market studies, pursuit of contingency projects, and similar adjustments, will not be considered substantial amendments; nor will adjustments in activity funding, provided no new activities are proposed without a substantial amendment process. A revision of the AFH will be undertaken whenever a material change takes place – a substantial change in the circumstances of the City broadly affecting the information on which the AFH is based. Substantial amendments to the Consolidated Plan and AFH revisions trigger a 30-day public comment period and public hearing process (with the exception of urgent situations reflected by a HUD waiver, which may allow for no less than 5 days for the same). *[Page 4, V.updated April 6, 2020]*

The proposed changes in [revenue](#) as compared to the [initial 2020 Action Plan adoption](#) are as follows:

- HUD adjusted our CDBG and HOME allocations slightly.
  - CDBG allocation changed from \$842,553 to \$842,424 (-\$129).
  - HOME allocation changed from \$586,798 to \$586,639 (-\$159).
- HUD released an additional allocation of COVID-specific CDBG funds.
  - The initial CDBG-CV allocation (included in initial Action Plan) was \$495,646.
  - The additional allocation is \$653,580, for a total of \$1,149,226 in CDBG-CV.

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- The Housing Levy revenue is proposed to be reduced by \$399,857 (see details below).

The precipitating changes do not clearly meet the standard of requiring a substantial amendment, as they all reflect “Adjustments of allocations or program income to reflect actual (rather than anticipated) income...” and corresponding “....adjustments in activity funding, provided no new activities are proposed without a substantial amendment process.” However, staff felt we should err on the side of more robust public involvement due to the relatively large amount of additional CDBG-CV (COVID-specific additional funding: \$653,580), and other proposed adjustments.

The proposed changes made in the uses of funds to adapt to the changed revenue are as follows:

- The Mercy Housing, Barkley project shows a changed mix of HOME and Levy funding, to adapt to the reduced HOME allocation (HOME funds reduced slightly, and Levy funds correspondingly increased).
- The RASS program shows a reduction in Levy commitments to get the Levy closer to the [Levy Administrative and Financial plan](#) annual planned allocation, with the additional CDBG-CV picking up some areas with allocated Levy funding in the initial 2020 Action Plan. The full program shows a net reduction of \$46,420.
  - The \$200,000 in additional housing services (Levy) was replaced by \$400,000 from CDBG-CV funding. The County has rent assistance dollars available (see next bullet), but it is not able to pay for the full costs of administering the rent assistance and providing full case management to go along with it; this line item can support increased staffing to help distribute and manage the rent assistance, and provide the needed supports to households. Housing Services shows a net increase of \$200,000.
  - Additional tenant or project-based support line item of \$300,000 (Levy) is removed; the county received over \$1m in Emergency Solutions Grant COVID-specific funding, most of which is going to rent assistance that can be accessed by tenants both within projects and in scattered sites throughout the county.
  - Human and Social Services show a net increase of \$53,580. The CDBG-CV funds pick up an additional \$253,580 of childcare support and other social services supports, with a \$200,000 decrease in the traditional CDBG allocated to childcare supports (see next bullet).
- Additional CDBG (traditional, non-COVID) funds are allocated to childcare facilities (+\$199,897) for a modified amount of \$349,026. While we still have the option of applying a Section 108 loan (encumbering future CDBG allocations) to more substantially assist with facilities, we know of a number of likely requests coming in for assistance with proposed facilities that may be able to be addressed utilizing these funds.

An additional change is proposed based on a request from a project to fill a funding gap due to increased expenses from COVID, labor, and materials:

- Opportunity Council’s Recovery House requested \$100,000 to help fill a \$150,000 funding gap; this project is shown with \$662,355, rather than \$562,355 in Levy funding.

Attached are adjusted Exhibits A and B showing the 2020 Action Plan budget as now proposed.

**EXHIBIT A**  
**2020 ACTION PLAN SUMMARY**

RESOURCES ANTICIPATED	SECTION 108	CDBG	CDBG-CV	HOME	CITY GF	HOUSING LEVY	TOTAL
2020 Grant/Allocation		842,424	1,149,226	586,639	353,100		2,931,389
Section 108 loan	2,000,000						2,000,000
Program Income (Loan Paybacks)		210,000		120,000	-		330,000
Prior Year Uncommitted/Deobligated Funds		256,078		222,644	-		478,722
EXISTING COMMITMENTS (AWARDS)		105,050		1,317,020	184,860	3,809,817	5,416,747
HOUSING LEVY New Allocations:							-
<i>Levy Production &amp; Preservation</i>		-		-	-	5,396,234	5,396,234
<i>Levy RASS</i>		-		-	-	865,159	865,159
<i>Levy Admin</i>		-		-	-	165,268	165,268
<b>TOTAL:</b>	<b>\$ 2,000,000</b>	<b>\$ 1,413,552</b>	<b>\$ 1,149,226</b>	<b>\$ 2,246,303</b>	<b>\$ 537,960</b>	<b>\$ 10,236,478</b>	<b>\$ 17,583,520</b>

ACTIVITIES	Section 108	CDBG	CDBG-CV	HOME	CITY GF	HOUSING LEVY	TOTAL
Production Program							
Previous (Unspent) Commitments							
Lydia Place Hearthouse				911,197		740,350	1,651,547
Lydia Place - A Place for Dads		-				374,700	374,700
BHA Samish Way Redevelopment - Phase 1						1,300,298	1,300,298
Sun Nevada St PSH						33,665	33,665
2020 Requests:							
BHA Samish Way redevelopment - Phase 2						2,025,000	2,025,000
Mercy HNW - Barkley Family Housing				628,124		2,283,880	2,912,004
OppCo Recovery House						662,355	662,355
CHDO Set Aside (min. 15% of HOME Grant)							
Mercy HNW - Barkley Family Housing				87,996			87,996
Preservation Program							
Previous Commitments							
2019 City Rehabilitation Program		15,000					15,000
2019 Manufactured Housing Repair						8,845	8,845
DVSAS Baker Place (buy down)						214,439	214,439
2020 Requests:							
Mt Baker Apts - lintel repair						250,000	250,000
2020 Program:							
City Rehabilitation Program		417,640					417,640
Manufactured Housing Repair						125,000	125,000
2020 Emergency Repair						50,000	50,000
Acquisition and Opportunity Program							
Acquisition and Opportunity Fund							-
Rental Assistance and Supportive Services Program (see Ex. B for details)							
Previous Commitments							
2019 FY Tenant Based Rental Assistance						16,500	16,500
Housing Project-Based Services		-		-	-	554,382	554,382
Homeless Service Center Admin		-		-	44,860	33,640	78,500
Project Homeless Connect		-		-	2,000	-	2,000
Homeless Outreach Team		-		-	-	210,000	210,000
NWYS Ground Floor day center for hmls youth		-		-	-	85,000	85,000
GRACE		-		-	140,000	-	140,000
2020 Program:							
TBRA & other rental assistance		-	-	142,500	-	359,500	502,000
Emergency Motel Stays		-		-	50,000	-	50,000
Housing Services		104,214	400,000	-	-	505,659	1,009,873
Human & Social Services		227,138	749,226	-	281,100	-	1,257,464
Public Facility Program							
Previous Commitments							
Foundation for the Challenged - DD Housing		20,050					20,050
Max Higbee Center		70,000					70,000
2020 Requests:							
Childcare Facilities - Acquisition/Development/repair	2,000,000	349,026			20,000		2,369,026
Community Facilities							-
Homebuyer Program							
Previous Commitments							
Housing Finance Commission				90,076		233,745	323,821
KCLT Telegraph Rd				315,747		4,253	320,000
Contingency Projects							
HOME - WSHFC, TBRA, Multifamily housing, CHDO operating							-
CDBG- Rehab program, Public Facilities							-
Administration							
City Expenses		210,484		58,163		165,268	433,915
TBRA Administration (contract)				12,500			12,500
TOTAL:	\$2,000,000	\$1,413,552	\$1,149,226	\$2,246,303	\$537,960	\$10,236,478	\$17,583,520
BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**EXHIBIT B**  
**2020 RENTAL ASSISTANCE AND SERVICES**

	CDBG	CDBG-CV	HOME	CITY GF	HOUSING LEVY	TOTAL
<b>Existing Commitments:</b>	-		-	\$184,860	\$899,522	\$ 1,084,382
<b>New Revenue:</b>						
Housing Services	\$104,214	\$400,000			\$505,659	\$ 1,009,873
Human and Social Services	\$227,138	\$749,226		\$283,100		\$ 1,259,464
Tenant-Based Rental Assistance			\$142,500		\$359,500	\$ 502,000
Project-based Rent and Services						\$ -
Emergency Shelter Services				\$50,000		\$ 50,000
<b>TOTALS</b>	\$ 331,352	\$ 1,149,226	\$ 142,500	\$ 517,960	\$ 1,764,681	\$ 3,905,719

**2020 PROGRAM**

PROGRAM	CDBG	CDBG-CV	HOME	CITY GF	HOUSING LEVY	TOTAL
<b>Rental Assistance</b>						
<b>Existing Commitments:</b>						
2019 FY Tenant Based Rental Assistance					\$16,500	\$16,500
<b>2020 Program:</b>						
Tenant Based Rental Assistance Program			\$142,500		\$16,500	\$159,000
Rental Assistance tied to Housing Services programs					\$343,000	\$343,000
<b>Housing Services</b>						
<b>Existing Commitments:</b>						
Homeless Service Center Admin				\$44,860	\$33,640	\$78,500
NWYS Ground Floor day center for hmls youth					\$85,000	\$85,000
Homeless Outreach Team					\$210,000	\$210,000
<b>2019-21 Competitive:</b>						
HSC - Housing Lab addition					\$54,000	\$54,000
Lydia Place - Family Services					\$93,500	\$93,500
Lydia Place - Transitional Housing					\$28,500	\$28,500
OC - Rapid Re-Housing & Diversion for Families & Seniors	\$54,219				\$238,959	\$293,178
NWYS - Transitional Living Program					\$36,000	\$36,000
NWYS - PAD Program	\$49,995				\$0	\$49,995
DVSAS - Safe Shelter	\$0				\$29,700	\$29,700
YWCA - Larrabee Residence					\$25,000	\$25,000
Additional Housing Services		\$400,000				\$400,000
Held for Emergency Motel Stays				\$50,000		\$50,000
<b>Project-Based Rental Assistance &amp; Housing Services</b>						
<b>Existing Commitments:</b>						
Francis Place Housing Services					\$237,518	\$237,518
Greggie's House Housing Services					\$67,914	\$67,914
Opportunity Council / NWYS 22 North Housing Services					\$142,000	\$142,000
Lydia Place - Heart House					\$75,460	\$75,460
Sun - Nevada St PSH					\$31,490	\$31,490
<b>Human &amp; Social Services</b>						
<b>Existing Commitments:</b>						
GRACE				\$140,000		\$140,000
2020 Project Homeless Connect				\$2,000		\$2,000
<b>2019-21 Competitive:</b>						
Lydia - Mental Health Counseling	\$12,784			\$9,660		\$22,444
BFB - Free Grocery Program				\$26,900		\$26,900
DVSAS - Safe Start Program				\$21,350		\$21,350
NWYS - Vocational Readiness Program				\$25,900		\$25,900
OC - Volunteer Chore Program				\$29,600		\$29,600
NWYS - Teen Court				\$24,300		\$24,300
WLC - Gaining Jobs & Improving Self-Sufficiency Through Literacy				\$12,490		\$12,490
BCFSC - Target Intensive Case Management	\$30,000			\$0		\$30,000
St Francis Foundation - Generations Tuition				\$15,000		\$15,000
WDRC - Parent / Teen Mediation				\$15,000		\$15,000
OC - Maple Alley Inn				\$22,100		\$22,100
WCOA - Meals on Wheels Bellingham	\$30,000			\$0		\$30,000
Rebound Roots				\$22,000		\$22,000
BCELC - Childcare & Early Learning Services				\$30,000		\$30,000
SHH - Residential Services for Adults Living with AIDS				\$12,000		\$12,000
MNW - Farm Worker & Senior Support Services				\$14,800		\$14,800
Additional Childcare support	\$150,000	\$153,580				\$303,580
Additional Food Security support	\$4,354	\$295,646				\$300,000
Additional Social Services support		\$300,000				\$300,000
<b>TOTAL ALLOCATIONS</b>	\$331,352	\$1,149,226	\$142,500	\$517,960	\$1,764,681	\$3,905,719

<b>BALANCE:</b>	\$	-	\$	-	\$	-	\$	-	\$	-
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